

Resources, Culture & Impact Committee MINUTES

Date	20 th June 2024	Time	14:00-17:00
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Venue	EC205 – ECAT House, Eastbourne Campus
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Chair	Andy Davy
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Membership – Andy Davy (Committee Chair), Becky Cooke (Committee Vice Chair), Rebecca Conroy (CEO & Principal), Lionel Bunting, 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), Belle Howard (Director of Governance – *minutes*)

Quorum: The meeting was quorate throughout.

Apologies: Nick Backstrom (Executive Director of Curriculum & Skills), Becky Cooke, Ashley Heminway.

#	Item	Action
Pre-Meeting Discussion		
1)	<p>‘FORECASTING & BUDGETING’ DEEP DIVE DISCUSSION</p> <p>1.1 Budgeting</p> <ul style="list-style-type: none"> The Executive Director of Finance shared the following update: <ul style="list-style-type: none"> Business Planning – a revised process was launched for 2023-24. This had several benefits, including greater assurance on the completion of associated internal audit management actions, a clearer timeline for key budget approval milestones and more defined links with Curriculum planning and budgeting processes. A new format Management Accounts Report had also been introduced to enable greater clarity on budget monitoring and oversight. Budget Assurance – the mechanism underpinning the business planning process was now fit for purpose, particularly with regards to the Budget Pack structure and the sequencing process. Key areas of improvement included the need for better quality establishment data and the robust tracking and oversight of non-established pay. <p>Lucy Mitchell joined the meeting at 14:04.</p> <ul style="list-style-type: none"> The following discussion then occurred: <ul style="list-style-type: none"> Governors considered the new format Management Accounts and agreed that this was much clearer, fit for purpose and supported effective Governor scrutiny. The Resources, Culture & Impact (RC&I) Committee Chair noted the current practice of inviting detailed questions on the Management Accounts in advance of RC&I Committee meetings, thereby facilitating more strategic discussion during meetings. Governors were reminded to continue with this approach moving forward. 	14:01

- The RC&I Committee Chair identified the need to enhance referencing to the previous year’s outturn as well as increase the level of budget profiling in the Management Accounts. The Executive Director of Finance also reflected that additional focus was needed to ensure greater clarity on the in-month position vs year to date.
- **The Chair of the Board considered the need for comparative reporting on the previous year’s outturn and asked – would this new approach ensure greater clarity on the key drivers for significant changes and any associated implications?** The Executive Director of Finance confirmed that it would, particularly post Period 4 (January 2025), at which point student enrolment numbers for the year would have been confirmed. However, it would also be important to challenge any associated assumptions on an ongoing basis.
- **An Independent Governor asked – was there currently an issue with the quality of the College’s establishment data?** The Executive Director of Finance confirmed that there was, noting that this issue was primarily driven by key systems not having been fully integrated. A key focus area would be to further support Business Partners in ensuring accurate establishment data, in collaboration with Budget Holders.
- **The RC&I Committee Chair asked – do Budget Holders and Business Partners require additional training?** The Chief Operating Officer advised that this would be a priority focus area moving forward.
- Governors discussed the feasibility of establishing a small project team to focus on improving the quality of establishment list data from a system integration perspective, i.e. linkages between the Finance, People and MIS systems.
- **The RC&I Committee Chair asked – who was currently responsible for maintaining the establishment list?** The Director of People Services advised that this list was maintained by People Services.
 - **Action 1.1.1 – Explore the feasibility of establishing a project team to improve the accuracy of the College’s establishment list data through enhanced system integration, with a view to share an update on the estimated cost/timeline at the next meeting.**

RC/HC

1.2 Forecasting

- The Executive Director of Finance shared the following update:
 - **Growth** – there had been a significant increase in the student cohort for 2023-24, particularly for the 16-18 provision, over and above the funding allocation for the year. The resultant increase in income became apparent before the associated increase to costs could be determined. This could not necessarily have been addressed through additional contingency funds given existing cashflow constraints at the College.
 - **Challenges** – there was ongoing volatility and risk in the FE Sector arising from a complex funding model, the changing profile of students and a changing emphasis of funding moving forward.

- **Funding** – the way in which the College was funded was highly complex, with multiple different methodologies for different aspects of the provision, e.g. lagged funding for 16-18s (with the opportunity for additional in year funding), Adult Education Budget (AEB – which may be subject to clawback), Advanced Learner Loans (ALL) etc.
- **Quality of Data** – as the College did not have an integrated solution for managing establishment data, the Finance system was currently reliant on a monthly data upload. As such, quality of data for forecasting needed significant improvement. This would ensure an enhanced reconciliation process, more effective tracking of sessional hours and improved tracking for both established and variable pay.
- **Non-Pay Costs** – various budgeting errors had been eliminated, particularly related to utilities and bursaries. Furthermore, an increased understanding of various contracts and agreements had been achieved. Additionally, there had been ongoing improvement in the consistency of data.
- **Next Steps:**
 - Increased scrutiny in budget setting and improved review against 2023-24 outturn.
 - Stronger links and better co-ordination of Business Partner resource.
 - Increased scrutiny on the profiling of the budget.
 - Improved reporting to better inform Budget Holders.
 - Improved control on pay, including recruitment to vacant posts and non-established pay costs.
- The following discussion then occurred:
 - The Chair of the Board reflected on the need to conduct a contribution analysis, with a view to better assess levels of student growth, the resultant impact on fixed and variable costs and the key stages at which growth would become financially beneficial. **Governors agreed.** The RC&I Committee Chair also reflected on the need to maximise opportunities for economies of scale.
 - The CEO & Principal explained that the College had been able to absorb the costs associated with increased student growth levels, up to a point. However, growth levels were significant in 2023-24, particularly in the number of high needs students requiring support. This had resulted in unanticipated in year cost implications from a pay perspective, particularly for the English & Maths, and Construction provisions, for which there had been sizable additional agency staffing costs.
 - The Executive Director of Finance explained that the agreed pay award for 2023-24 impacted the February 2024 accounting period, having placed significant additional pressure on the existing forecast following such extensive in year growth.
 - The RC&I Committee Chair reflected on the need to clearly explain to the Board the reason that the budget had been exceeded in 2023-24, despite exceptional levels of in year student growth. **Governors agreed.**
 - The Director of People noted that despite unusually high levels of staffing costs, the Heads of Curriculum had demonstrated reasonably good levels of forecasting in their sessional staff spend, as well as closely monitoring agency staffing costs. The recent job evaluation process had also impacted staffing costs this year.

	<ul style="list-style-type: none"> ○ The Executive Director of Finance explained that moving forward, there would be a change in emphasis in how the AEB provision would be funded. This would shortly be renamed as the Adult Skills Fund (ASF) and would have a new funding methodology applied. The CEO & Principal reflected that the adult provision remained relatively stable at the College. ○ The RC&I Committee Chair reflected on the current variance between the budget and forecast and asked – what were the key drivers in decision making related to the bottom line? The Executive Director of Finance advised that the primary focus had been upon generating a sufficient surplus to be able to service existing College debt, as well as adequate reinvestment into the College. ○ The RC&I Committee Chair asked – what level of surplus should the College be targeting? The Chief Operating Officer advised that the FEC had set a surplus benchmark of 1% of income. Moving forward, it would be prudent for the College to target a higher surplus level, given ongoing volatility in the market. The Chair of the Board reflected that this area should be further explored as part of the five-year financial planning process, with a recommendation to be set by the Executive Team. Governors agreed. ○ The Chair of the Board asked – when was the College’s current debts due to expire? The Executive Director of Finance advised that existing loans were due to expire in either 2027 or 2028. ○ The Chair of the Board asked – what does ‘Other Staff’ relate to? The Director of People advised that ‘Other Staff’ primarily related to staff who were self-employed, e.g. external contractors, who delivered the Colleges SGN apprenticeship provision. ○ The Director of People explained that a new system had recently been introduced to track and monitor sessional staff. The CEO & Principal advised that moving forward, the focus would shift towards the monitoring and tracking of excess hours, as sessional staff were being transitioned onto fractional contracts. ○ Governors reflected on the need to achieve certainty of spend to ensure accurate forecasting moving forward. ○ The RC&I Committee Chair thanked the Executive Team for sharing a comprehensive update on the College’s budgeting and forecasting practice. <ul style="list-style-type: none"> ● <u>Action 1.1.2</u> – Share a copy of the ‘Forecasting & Budgeting Deep Dive’ Presentation with RC&I Committee Members. <p>The meeting was briefly adjourned at 14:51.</p>	BH
2)	<p>WELCOME & APOLOGIES</p> <p>2.1 The RC&I Committee Chair opened the meeting at 15:01 with a warm welcome to colleagues. Participants introduced themselves to new Committee Member, Lionel Bunting.</p> <p>2.2 Apologies were received and accepted from Becky Cooke, Ashley Heminway and Nick Backstrom.</p> <p>2.3 The RC&I Committee Chair outlined the purpose and format of the meeting, as well as summarised the key focus areas for the forthcoming discussion.</p>	15:01

3)	DECLARATIONS OF INTEREST 15:04 3.1 There were no new declarations of interest received.																	
4)	MINUTES OF THE LAST MEETING & MATTERS ARISING 15:05 4.1 Approval <ul style="list-style-type: none"> Governors considered the minutes of the last meeting on 8th February 2024. Governors agreed that the minutes were a true and accurate record of what was discussed. 4.2 Matters Arising <ul style="list-style-type: none"> 28th September 2023: <table border="1" data-bbox="177 801 1366 1021"> <thead> <tr> <th>Item</th> <th>Owner</th> <th>Action</th> <th>Due Date</th> </tr> </thead> <tbody> <tr> <td>6.1.1</td> <td>SB/HC</td> <td>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.</td> <td>Complete – an update was shared at the Summer Term Student Council meetings.</td> </tr> </tbody> </table> 30th November 2023: <table border="1" data-bbox="177 1115 1366 1294"> <thead> <tr> <th>Item</th> <th>Owner</th> <th>Action</th> <th>Due Date</th> </tr> </thead> <tbody> <tr> <td>4.1.2</td> <td>SB</td> <td>Update the RC&I Presentation slide related to 'Staff Recruitment' to include monitoring and oversight of cost savings that arose from current staff vacancies.</td> <td>Pending – further clarity re the level of detail required in reporting moving forward.</td> </tr> </tbody> </table> 8th February 2024: <ul style="list-style-type: none"> Governors noted that all related actions from this meeting had either been completed or superseded. 3.4 ESCG Annual Carbon Report <ul style="list-style-type: none"> The Chief Operating Officer shared the following update: <ul style="list-style-type: none"> The associated paper related to the former SALIX funded project to install ground source heat pumps at the College campuses, which successfully completed in January 2023. As a condition of the funding, the College would also need to report on an annual basis in January 2025 and January 2026, on its energy usage and any associated savings. Whilst a reduction in energy consumption had been evidenced, there had not been corresponding reduction in utility costs, as the heat pumps have been retrofitted within an aged infrastructure which has impacted on the functionality and achievable savings. The College was currently planning additional investment in Building Management System (BMS) upgrades which, once completed, were expected to deliver further energy consumption savings. 	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.	Complete – an update was shared at the Summer Term Student Council meetings.	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 re the level of detail required in reporting moving forward.	
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5)	<p>FINANCE UPDATE 15:09</p> <p>5.1 May 2024 (Month 10) Management Accounts</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. • The Executive Director of Finance presented the following update: <ul style="list-style-type: none"> ○ Risks had been identified through to year end related to the delivery of Apprenticeships, Higher Education, Advanced Learner Loans (ALL) and Tuition Fees, in line with forecast. ○ Some mitigating action had been included in the Month 10 management accounts. ○ 16-18 income was stable, but work was ongoing to deliver the Tuition Fund element, as that was at risk of clawback. ○ Over delivery against AEB allocation had increased the forecast for funded income. ○ Pay costs remained high at the end of May 2024 and increased the risk of delivering against forecast (which had subsequently been increased). £200K variance overall. ○ There was a reliance on a reduction in sessional and agency spend in June/July 2024. ○ Non pay costs had been relatively stable, though ongoing pressure on examination and partnership costs had increased the forecast spend. ○ Work was underway to ring fence spend, for which there was no anticipated impact to students. ○ Income variance of -£100K for ALL as the number of starts lower than anticipated. ○ Work was also ongoing to stabilise the College’s cashflow position. • The following discussion then occurred: <ul style="list-style-type: none"> ○ The CEO & Principal advised that tight cost control and ensuring accuracy in forecasting continued to remain a priority focus area moving forward. Work was currently underway to build key systems to support this effort, in readiness for the next academic year. ○ An Independent Governor asked – would the forthcoming land sales related to the Estate Transformation Programme detrimentally impact the ‘Other Income’ line? The Chief Operating Officer explained that the College received relatively limited lettings income outside the Hastings (Station Plaza) Campus. As such, the impact of the land sales would likely be negligible. <p>5.2 Executive Summary</p> <ul style="list-style-type: none"> • The Executive Director of Finance presented the following update: <ul style="list-style-type: none"> ○ The current forecast surplus for the College was £1.1m, which was now back in line with the agreed budget. ○ Forecast income had increased by £3.1m compared to the budget. ○ Forecast pay expenditure had increased by £1.5m compared to the budget. ○ Forecast non pay expenditure had increased by £1.64m compared to the budget. ○ The cash position at the end of April 2024 was £3.26m and the College continued to be challenged on low operational cash into 2024-25. ○ Increased funding was in line with increased student numbers, which created an opportunity to improve operational cash in 2024-25 and stabilise the position. ○ Overall, pay costs going forward would be the biggest influence on the cash position. 	
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- The following discussion then occurred:
 - **The RC&I Committee Chair reflected on the potential risk of the loan covenants being breached and asked – what mitigating actions were being taken?** By way of contextual information, the Executive Director of Finance explained that the College currently had loan agreements with Barclays Bank and the ESFA, both which had complex covenants associated with them through to 2027-28. In the event of the covenants being breached, the College could be required to repay the full loan amounts immediately. In 2023, it was determined that the loan covenants had been breached post the end of the financial year, which detrimentally impacted the College’s financial health score. Waivers were subsequently obtained from the ESFA and Barclays Bank. Since then, robust monitoring had been put in place to ensure effective oversight ahead of the 2023-24 Year End reporting period. However, the College remained at risk of another breach, following a reduction in available surplus. Conversations were currently underway with Barclays Bank and the ESFA to ensure appropriate mitigations were put in place in the interim.
 - The Chief Operating Officer advised that in the event of another covenant breach, the College would again be able to apply for waivers from the ESFA and Barclays Bank. The Board would also be notified in the event of a potential breach.
 - **The RC&I Committee Chair asked – in the event of another loan covenant breach, had the additional fees payable to the ESFA and Barclays Bank been budgeted for?** The Executive Director of Finance advised that this would be paid from the Finance budget.
 - **The Chair of the Board noted that there had been a £50K variance in the forecast teaching costs between Month 9 and Month 10 and asked – to what extent had this increase been driven by the ongoing recruitment issue for hard to fill roles?** The Director of People advised that this cost increase was primarily driven by increased agency staff costs for difficult to recruit positions, such as Construction, Engineering, English and Maths, as well as some sessional staffing costs.
 - **The RC&I Committee Chair asked – were there any aspects of the College’s offer that were particularly costly to run that could be discontinued?** The CEO & Principal advised that this was continually being explored, particularly for those areas where the contribution level was negligible. It was acknowledged that some aspects of the pathway provision were expensive to run, such as Apprenticeships and the Higher Education provision. Opportunities to drive greater efficiencies were also being considered.
 - **The RC&I Committee Chair asked – to what extent were the Heads of Curriculum aware of the current financial constraints and the need to drive greater efficiencies?** The Executive Director of Finance advised that Heads of Curriculum were well informed of the broader financial implications associated with their respective areas of provision and were actively being engaged to identify opportunities for cost reduction. The Director of People advised that there had also been some restructuring as a result of some underperforming Apprenticeship programmes, as well as maximising opportunities to deliver provision from just one site, where appropriate. The Chief Operating Officer noted the need to balance cost reduction efforts against the need to meet certain aspects of the High Needs provision, where some courses may need to be delivered at cost.

	<ul style="list-style-type: none"> ○ The Chair of the Board asked – did the College’s methodology for calculating contribution levels take non-pay costs into consideration? The Chief Operating Officer acknowledged the need for a more sophisticated methodology for calculating contribution levels to be introduced and confirmed that this was already being investigated. ○ The RC&I Committee Chair asked – in the event of a further drift in forecast for 2023-24, was there a risk that the College would receive a Financial Health Grade of Inadequate? The Chief Operating Officer reflected that this was not likely. 	
6)	<p>DRAFT BUDGET – 2024-25 15:35</p> <p>5.1 Initial Assumptions</p> <ul style="list-style-type: none"> ● The Executive Director of Finance shared the following update: <ul style="list-style-type: none"> ○ The draft 2024-25 budget had been developed as a key output of the annual business planning process. ○ The budget was directly linked to the College’s Curriculum Planning process. ○ Overall income and pay were expected to be higher than the forecast outturn for 2023-24. ○ Non Pay costs were materially in line with 2023-24, largely due to reduced gas & electricity unit costs. ○ Budgeted income was materially in line with the ESFA funding allocations received for 2024-25. There was a significant increase in 16-18 funding further to recent growth in student numbers, per the lagged funding methodology. ○ Budgeted pay was based on an establishment list that remained a work in progress. Expected curriculum delivery was funded and the overall total of £35.45m was needed to fund a pay award at an assumed 2%. ○ Budgeted non pay had taken into account partnership costs to support full delivery of the Adult Skills Fund (ASF). ○ A staff restructuring budget for 2024-25 had not been included. ● The following discussion then occurred: <ul style="list-style-type: none"> ○ The RC&I Committee Chair asked – was there clawback on 16-19 funding? The Chief Operating Officer advised that generally, there was not. However, the Executive Director of Finance explained that funding for T Levels could be subject to a clawback. This was typically managed through the in-year revised allocation process. ○ The RC&I Committee Chair asked – should there be contingency funding in the event of needing to restructure? The Executive Director of Finance reflected that this was not possible without impacting the proposed surplus of £1.7m. The CEO & Principal explained that as an alternative, this would be managed through natural wastage. ○ The RC&I Committee Chair asked – could you provide further information on the College’s T Level provision? The CEO & Principal advised that some of the newer T Level courses were discontinued by the DfE before Christmas 2023. Some of these courses had unfortunately been advertised to students, though all affected students were notified quite quickly and as such, the impact was relatively moderate. 	

	<ul style="list-style-type: none"> ○ The Executive Director of Finance noted that there had been a sizable decrease in the ‘Local Authority & Schools’ and ‘Other Income’ lines. <ul style="list-style-type: none"> ▪ Action 5.1.1 – Amend Slide 4 of the ‘Draft Budget 2024-25’ paper to provide clearer summary information on the ‘Local Authority & Schools’ and ‘Other Income’ lines. ○ A Student Governor noted that there had been recent changes to the fee structure for the Higher Education (HE) provision and asked – had some of the HnD courses been discontinued for 2024-25? The CEO & Principal committed to look into this. ○ An Independent Governor noted that the HE provision appeared to be an important growth area for the College and asked – why was there currently only one HE course on offer at the Lewes campus? The CEO & Principal also committed to look into this. <ul style="list-style-type: none"> ▪ Action 5.1.2 – Share a summary update on the College’s HE provision, both related to the fee structure and courses on offer at the Lewes campus. ○ An Independent Governor considered the ‘Other Income’ line and asked – did this include funding for potential research projects that academies could bid for? The CEO & Principal confirmed that it did not, though reflected that this potentially could provide an area of opportunity for the College moving forward. ○ The Executive Director of Finance advised that a vacancy factor had not been baked into the 2024-25 budget, though noted that this had been included in the prior year. ○ The RC&I Committee Chair noted that the total budget amount had increased by 7% year on year, the reasons for which needed to be clearly outlined to the Board. Governors agreed. ○ The Chair of the Board also reflected on the need to include additional information in the Budget 2024-25 paper to further explain the ‘Total Income’ line to the Board. Governors agreed. ○ The Executive Director of Finance explained that there was a data issue linked to the sessional budget and establishment list, which had impacted the Pay Budget and the way that this was reported in the FY24 Forecast vs the FY25 Budget. ○ Governors reflected that the Pay FY25 Budget appeared to be more realistic than the prior year. ○ The Executive Director of Finance explained that the net Non-Pay Budget was largely similar to the prior year, with key line variances related to increased exam costs, increased business rates and an allocation for non-capital equipment and increased teaching costs for apprenticeships. In contrast, the budget reflected a significant reduction in utility costs, totalling £800K. ○ Governors noted that funding for Apprenticeships equated to £3.8m, with a similar level of provision delivery expected as the prior year. The CEO & Principal explained that work was also underway to address underperforming apprenticeship standards. 	<p>SB</p> <p>RC/SB</p>
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	<ul style="list-style-type: none"> ○ The RC&I Committee Chair considered the proposed Pay Budget and noted significant increases for administration and support staff. The RC&I Committee Chair reflected on the need for this to be clearly explained to the Board, given the level of variance to the prior year. Governors agreed. ○ The Chief Operating Officer explained that the recent job evaluation process had impacted the Pay Budget, as had the recent 10% increase in the National Minimum Wage. <ul style="list-style-type: none"> ▪ Action 5.1.3 – Update the ‘Draft Budget 2024-25’ paper to include the following: <ul style="list-style-type: none"> - Additional commentary to explain the 7% increase in the total budget year on year. - Additional commentary on the ‘Total Income’ line. - Additional commentary to explain the increased Pay Budget, particularly with regards to administration and support staff. ▪ Action 5.1.4 – Amend Slide 11 of the ‘Draft Budget 2024-25’ paper to collapse the pay categories listed to include only summary information. ○ An Independent Governor considered the proposed increase to the budget for exam costs and asked – was there any opportunity for the College to explore more competitively priced examination fees? The CEO & Principal explained that there was limited opportunity as examination costs were relatively standard between providers. The Chief Operating Officer clarified that recent growth in student numbers had directly impacted this examination costs. ○ The Chair of the Board asked – would the College be able to utilise any of the funds arising from the forthcoming land sale related to the Estate Transformation Programme, to repay its existing debts? The Chief Operating Officer explained that permission would need to be sought from the DfE to be able to pursue this. ● RESOLUTION – The RC&I Committee agreed to recommend the ‘Draft Budget for 2024-25’ to the Board for approval, subject to the agreed amendments. ○ Action 5.1.5 – Share a copy of the updated ‘Draft Budget for 2024-25’ with the Chair of the Board/RC&I Committee Chair, before submitting for Board approval. 	<p>SB</p> <p>SB</p> <p>SB</p>
7)	<p>DRAFT COLLEGE FINANCIAL FORECAST RETURN (CFFR) SUBMISSION – 2024</p> <p>16:17</p> <p>7.1 The Executive Director of Finance shared the following update:</p> <ul style="list-style-type: none"> ○ The College Financial Forecast Return (CFFR) was a formal assessment of financial health and a review of college budget forecasting. ○ Submitted on an annual basis, the CFFR was a mandatory return, which was due by 31st July 2024. <p>7.2 Governors noted the CFFR paper, which was also due to be noted by the Board at its next meeting on 8th July 2024.</p>	

8)	<p>RC&I COMMITTEE STRATEGIC PRIORITIES 16:19</p> <p>8.1 Progress Update</p> <ul style="list-style-type: none"> • The Director of People explained that the associated paper had focused on the following key joint strategic priorities: <ul style="list-style-type: none"> ○ Control of Pay Costs – having an accurate establishment list and monitoring spend against this to ensure compliance. ○ Utilisation of Pay Budget – effective workforce and performance management to maximise value from the pay budget. • Governors noted the paper and the following discussion then occurred: <ul style="list-style-type: none"> ○ The RC&I Committee Chair suggested that the format of the associated paper should be amended to include separate RAG ratings for each of the Intended Impact/ Measures captured within the tables. Governors agreed. <ul style="list-style-type: none"> ▪ Action 8.1.1 – Amend the format of the People & Finance Joint Strategic Priorities to include separate RAG ratings for each of the Intended Impact/Measures captured within the table. ○ An Independent Governor asked – was holiday pay for sessional staff factored into the budget? The Director of People confirmed that it had been. • The Director of People also provided a summary update on the following strategic priorities: <ul style="list-style-type: none"> ○ Staff Recruitment – 263 new starters had been appointed year to date, with work ongoing to appoint for a further 30 vacant positions. Overall, good progress had been made against the Recruitment Action Plan, with particular success in recent campaigns for Construction and Engineering roles. A new Recruitment Management System was due to be implemented in 2024-25. ○ Staff Recognition – a new Staff Recognition Programme was due to launch later in 2024, which would include key features such as long service, employee voted and values-based awards. Appropriate funding had been allocated to support this programme, which had been developed leveraging feedback from recent Staff Think Tank discussions. • The following discussion then occurred: <ul style="list-style-type: none"> ○ An Independent Governor asked – was there an equivalent peer to peer recognition programme for students in place at the College? The CEO & Principal advised that there was not but committed to look into this. ○ The Chair of the Board asked – did annual staff celebration days take place at the College? The CEO & Principal confirmed that an event had been scheduled for 10th July 2024, to which all Governors were also invited to attend. <ul style="list-style-type: none"> ▪ Action 8.1.2 – Share details with all Governors regarding the forthcoming staff celebration event on 10th July 2024. 	<p style="text-align: right;">LC/SB</p> <p style="text-align: right;">BH</p>
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9)	<p>PEOPLE SERVICES REPORT & DASHBOARD 16:29</p> <p>9.1 Monitoring Key Performance Indicators (KPIs) Relating to People</p> <ul style="list-style-type: none"> • The Director of People shared the following update: <ul style="list-style-type: none"> ○ Achievements – there had been an overall decrease in both staff turnover and sickness absence levels. Contrastingly, there had been an increase in essential online training compliance and levels of staff Diversity, Equity & Inclusion (DEI) data declarations. ‘MyOpinion’ Staff Survey results had been very positive and Single Central Record compliance was currently at 100% completion, however, 2 members of staff had been risk assessed pending their DBS checks. ○ Focus Areas – a new in-house online Safeguarding & Prevent training module was currently under development, which would supplement the in-person training session due to be held for all staff in September 2024. Work was underway to enhance the ‘MyReview’ termly check performance management process, as well as further increase DEI disclosures and narrow gaps between the staff demographic and local community populations. ○ Other Metrics – the distribution of headcount remained favourable, compared to AoC benchmark data. Retention by length of service was increasing. Long term sickness due to poor mental health had reduced. However, low pay had increased as a key reason for teaching support and administration staff leaving. ○ Staff DEI Data Comparisons – both age and disability levels had moved closer to the local populous and the student body. The sex differential had slightly widened, though remained in line with the sector. Race had remained unchanged. ○ Achievements of Strategy – 27 of 38 actions related to the People & Culture Strategy for 2022-24 had been successfully completed. This included the launch of the new ‘MyReview’ (performance appraisal) and ‘MyWelcome’ (induction) systems and processes. • The following discussion then occurred: <ul style="list-style-type: none"> ○ The CEO & Principal advised that plans were underway to replace the Smartlog System for the delivery of online essential training for staff. ○ The RC&I Committee Chair asked – were plans underway to enhance the programme of online essential training for Governors as well? The Director of Governance confirmed that a new Safeguarding, Prevent & Safer Recruitment course would be launched in the Autumn Term, accessible via the Education & Training Foundation’s learning platform. The CEO & Principal advised that all other essential training would be delivered in person, via pre-Board briefing meeting sessions. ○ An Independent Governor asked – how did the College compare to the wider sector from a staff turnover perspective? The Director of People confirmed that per the AoC’s benchmarking data, staff turnover levels at the College were on par with the broader FE sector. The RC&I Committee Chair reflected that a moderate level of staff turnover was desirable to support career progression and development. Governors agreed. 	
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	<ul style="list-style-type: none"> ○ The RC&I Committee Chair thanked the Director of People for sharing a comprehensive update. ● Action 9.1.1 – Share a copy of the ‘People Services’ Presentation with RC&I Committee Members. 	BH
10)	<p>FIVE YEAR FINANCIAL PLAN & BUDGET PLANNING UPDATE 16:40</p> <p>10.1 Revised Assumptions</p> <ul style="list-style-type: none"> ● The Chief Operating Officer shared the following update: <ul style="list-style-type: none"> ○ The list of assumptions detailed within the Five-Year Financial Plan had recently been updated and focused on three key areas – income, expenditure and capital. ○ Other key changes to the Five-Year Financial Plan included: <ul style="list-style-type: none"> ▪ Resetting the 16-19 baseline to incorporate the growth seen in 2023-24. ▪ 100% utilisation of the new Adult Skills Fund. ▪ A more prudent approach to the College’s Apprenticeship provision, recognising the need to improve quality whilst maximising opportunities for growth in meeting local employer needs. ▪ Incorporation of additional savings on utilities. ▪ Risk mitigations now included reference to the Cash Management Policy. ○ The format of the Five-Year Financial Plan would subsequently be updated to align with the style, format and contextual information being incorporated into the new ESCG Strategic Plan. ● The following discussion then occurred: <ul style="list-style-type: none"> ○ Governors suggested the following amendments: <ul style="list-style-type: none"> ▪ To more clearly outline the cashflow implications indicated within the Five-Year Plan, to ensure clarity of understanding for the Board. ▪ To amend the College Values from PRIDE to PROUD. ▪ To place greater emphasis on the College’s linkages with validating partner, University of East Anglia, rather than the School of Information Risk Management (SIRM). ○ An Independent Governor asked – once finalised, would the Five-Year Financial Plan be shared more broadly with staff? Given the commercially sensitive nature of the paper, the CEO & Principal reflected that headline information would be shared with staff related to the Five-Year Financial Plan. Governors reflected on the need to amend the tone of an executive summary paper, prior to this being shared with staff. ○ Governors noted that the Five-Year Financial Plan was due to be considered in depth by the Board at the forthcoming Strategic Planning Day/Board meeting, which had been scheduled for October 2024, at which point it would also be considered for approval, along with the ESCG Strategic Plan. 	

	<ul style="list-style-type: none"> ○ The RC&I Committee Chair asked – can you clarify the capital grant release figure referenced in the paper? The Executive Director of Finance explained that this related to depreciation for the Station Plaza site in Hastings. ● Action 10.1.1 – Update the draft Five Year Financial Plan to incorporate the key changes detailed in Section 10.1 of the meeting minutes (text in green). 	HC
11)	<p>DIGITAL STRATEGY UPDATE 16:48</p> <p>11.1 The Chief Operating Officer shared the following update:</p> <ul style="list-style-type: none"> ● The College’s Digital Strategy had been underpinned by the following 5 key principles: <ul style="list-style-type: none"> ○ Digital by Default – digital solutions to be considered at outset of all initiatives. ○ Effective & Responsible Investment – implementing best fit solutions, whilst balancing a range of commercial products and inhouse options. Consideration would also be given to industry standards, value for money, as well as investing in courses with the most potential. ○ One College Approach – enabling consolidation, consistency and connection. ○ Sustainably Driven – ensuring an environmentally responsible approach be adopted. ○ Inclusive by Design - delivering ‘digital for all’ and therefore ensuring a socially equitable mindset. ● Furthermore, the College’s Digital Strategy represented the following three core aims: <ul style="list-style-type: none"> ○ Improving the Infrastructure – by upgrading and adapting to meet digital ambitions. ○ Improving Digital Capability – educating on wellbeing and safety, driving digital health and facilitating digital inductions for staff. ○ Enhancing Curriculum Delivery – streamlining and reducing burden, developing digital solutions to support personalised learning plans, equipping students with skills for the future job market, enabling accessibility for all, adopting and training in new technology. <p>11.2 The following discussion then occurred:</p> <ul style="list-style-type: none"> ● The Chair of the Board asked – would the Digital Strategy also be presented to the Board for consideration at the October 2024 Strategic Planning meeting? The Chief Operating Officer confirmed that it would be. The Estate Transformation Strategy would also be shared at that time. 	
12)	<p>PEOPLE & CULTURE STRATEGY UPDATE 16:54</p> <p>12.1 The Director of People shared the following update:</p> <ul style="list-style-type: none"> ● The People & Culture Strategy for 2024-25 had been underpinned by the intent to ‘embed, improve and consolidate’. ● The key workstreams detailed in the strategy related to – ‘Reward & Performance’, ‘Wellbeing & Workload’, ‘Professional Leadership Development’, ‘Attraction & Retention’ and ‘Diversity & Inclusion’. 	

	<p>12.2 The following discussion then occurred:</p> <ul style="list-style-type: none"> • The Student Governor (who was also employed at the College) noted that many of these focus areas were clearly visible on the Staff Intranet and communicated at various staff enrichment events, with a range of supporting resources and information available to staff. • The CEO & Principal reflected on the importance of retaining a strong programme of staff enrichment activities and events, even at a time of budgetary constraints, to maintain high levels of staff engagement on an ongoing basis. As such, maximising opportunities for creating a positive culture at the College, remained a top priority for the Executive Team. • The Chair of the Board noted that the term ‘Diversity, Equity & Inclusion’ had recently been expanded to include ‘<i>Belonging</i>’ in its title, as a key element of engaging with staff, students and the wider community. 	
13)	<p>TARGET SETTING – KEY PERFORMANCE INDICATORS 16:57</p> <p>13.1 Full List – 2024-25</p> <ul style="list-style-type: none"> • The Chief Operating Officer advised that three new KPIs had been proposed for 2024-25: <ul style="list-style-type: none"> ▪ Finance – ‘Operational Cash Level’. ▪ People – ‘Increasing Representation’ and ‘Time to Fill for Vacancies’. • The Director of People clarified that ‘Increasing Representation’ related to the need to drive greater representation from an ethnicity perspective and was linked to the College’s Anti-Racism Action Plan, as developed with the Black Leadership Group. • An Independent Governor asked – should there be a specific KPI related to the ‘Impact’ element of the RC&I Committee’s remit? The CEO & Principal committed to give further consideration to this. • Governors noted a cross-committee referral item from the Curriculum, Skills & Quality Committee, where it had been proposed that the ‘Average Class Size’ and ‘Staff Utilisation’ KPIs be transitioned over to the RC&I Committee’s oversight. Governors agreed that these items should be included in the Finance KPIs moving forward. <ul style="list-style-type: none"> ○ Action 13.1.1 – Update the Finance KPIs for 2024-25 to include ‘Average Class Size’ and ‘Staff Utilisation’. • RESOLUTION – The RC&I Committee agreed to recommend the proposed Full List of Finance & People KPIs to the Board for approval, subject to the agreed amendments. <p>13.2 Priority Finance & People KPIs for Board Reporting</p> <ul style="list-style-type: none"> • The Chief Operating Officer advised that eight priority KPIs related to the RC&I Committee had been proposed for Board monitoring and oversight. • Governors considered these in depth and reflected that the number of Board specific priority KPIs should be reduced to four, to enable targeted focus and oversight. 	SB/HC

- Governors identified the following alternative priority KPIs for Board level monitoring:

Finance	People
<ul style="list-style-type: none"> • Operational Cash Level • EBITDA 	<ul style="list-style-type: none"> • % of Staff Who Felt Proud to Work at the College • % of Staff Who Declare DEI Data: Equalities Duty

- **RESOLUTION – The RC&I Committee agreed to recommend the following priority Finance & People KPIs to the Board for approval:**
 - Operational Cash Level
 - EBITDA
 - % of Staff Who Felt Proud to Work at the College
 - % of Staff Who Declare DEI Data: Equalities Duty

14) **GOVERNANCE MATTERS** **17:09**

14.1 Draft RC&I Committee Terms of Reference

- The Director of Governance summarised the key changes to the RC&I Committee Terms of Reference for 2024-25, as detailed in the associated paper.
- **RESOLUTION – The RC&I Committee agreed to recommend the RC&I Committee Terms of Reference for 2024-25 to the Board for approval.**

14.2 Draft RC&I Committee Cycle of Business

- The Director of Governance advised that the 2024-25 Cycle of Business had been simplified to maximise opportunities for Committee level monitoring and oversight, whilst ensuring all statutory obligations continued to be met.
- **RESOLUTION – The RC&I Committee agreed to recommend the RC&I Committee Cycle of Business for 2024-25 to the Board for approval.**

14.3 Draft Schedule of Meetings

- The Director of Governance advised that the 2024-25 Schedule of Meetings had incorporated Governor feedback following the recent Meeting Preference Survey.
- **RESOLUTION – The RC&I Committee agreed to recommend the RC&I Draft Schedule of Meetings for 2024-25 to the Board for approval.**

14.4 Governance Improvement Plan – Progress & Oversight

- The Director of Governance summarised the progress update related to the Governance Improvement plan, as detailed in the associated report.
- Governors noted the paper.

Annual Reports		
15)	<p>SUBCONTRACTING ARRANGEMENTS – 2024-25</p> <p>15.1 RC&I Committee Members noted that the Subcontracting Arrangements for 2024-25 were jointly reviewed with the Curriculum, Skills & Quality Committee.</p> <p>15.2 The Chief Operating Officer shared the following update:</p> <ul style="list-style-type: none"> • It was a requirement of the Subcontracting Standard that the Board maintained oversight of the curriculum case and the financial impact of the College’s subcontracted provision. • The trend of reducing subcontracting would continue in 2024-25, only subcontracting in Apprenticeships, with one partner actively recruiting (GFTS) and the remainder in run down. • There was currently no subcontracting in the AEB/ASF provision, with the option to revisit this if needed, in order to meet local need. The College would need to continue to operate its subcontracting arrangements below 25% of allocation, per the ESFA threshold. • The RC&I Committee agreed to recommend the Subcontracting Arrangements for 2024-25 to the Board for approval. 	17:12
Policy Review		
16)	<p>POLICIES & KEY DOCUMENTS</p> <p>11.1 Cash Management Policy</p> <ul style="list-style-type: none"> • Governors noted that this policy was due to be jointly reviewed with the Audit, Risk & Compliance (ARaC) Committee. • The Executive Director of Finance noted that multiple revisions had been made to the Cash Management Policy following previous RC&I Committee and ARaC Committee feedback. • Governors noted that soft escalation through the Executive Team had been set at £0.75m, with hard escalation through the Board set at £0.5m at any point in the financial year. • RESOLUTION – The RC&I Committee agreed to recommend the Cash Management Policy to the Board for approval. <p>11.2 Risk Management Policy & Framework</p> <ul style="list-style-type: none"> • Governors noted that this policy was due to be jointly reviewed with the ARaC Committee. • There were no questions from Governors. • RESOLUTION – The RC&I Committee agreed to recommend the Risk Management Policy & Framework to the Board for approval. <p>11.3 Student Support Funds Policy</p> <ul style="list-style-type: none"> • Governors considered the mechanisms for measuring the College’s impact, particularly in terms of providing support to the most deprived areas in East Sussex. 	17:15

	<ul style="list-style-type: none"> • Governors reflected that the application of the Support Funds Policy enabled the College to evidence how it contributed to local communities and demonstrate investment in areas with the highest need. The CEO & Principal agreed to share an update on this impact at the next meeting. <ul style="list-style-type: none"> ○ Action 11.3.1 – Share an update on the application and impact of the Student Support Funds Policy, in terms of evidencing a contribution to the local communities that the College serves. • RESOLUTION – The RC&I Committee agreed to recommend the Student Support Funds Policy to the Board for approval. 	RC
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Close

17)	<p>ANY OTHER BUSINESS 17:17</p> <p>17.1 The RC&I Committee Chair summarised the priority discussion items that had been explored through the course of the meeting, noting the need for greater focus on students and the impact of the Committee at its next meeting. Governors agreed.</p> <p>17.2 The RC&I Committee Chair noted that this was the final meeting for Student Governor, Alexandra Cheeseman, whose term of office would expire at the end of the current academic year. Governors thanked Alexandra for her significant contribution to the work of the RC&I Committee.</p>	
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18)	<p>DATE OF NEXT MEETING 17:18</p> <p>18.1 Governors noted that the next meeting had been scheduled for 19th November 2024, 15:00-17:00, which would be an in-person meeting.</p>	
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19)	<p>LIVE COMMITTEE SELF-ASSESSMENT 17:19</p> <p>19.1 Four responses were received from Governors, via an online survey as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #0070C0; color: white;"> <th style="width: 5%;">#</th> <th style="width: 70%;">ASSESSMENT QUESTION</th> <th style="width: 25%;">RESULT</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1.</td> <td>Was the agenda sufficiently balanced between core governance business and strategic priorities?</td> <td style="text-align: center; color: green;">100%</td> </tr> <tr> <td style="text-align: center;">2.</td> <td>Were the papers succinct, with clarity in the information being communicated and the action required by Governors?</td> <td style="text-align: center; color: green;">100%</td> </tr> <tr> <td style="text-align: center;">3.</td> <td>Did you have all the information you needed to fully participate in discussion and decisions?</td> <td style="text-align: center; color: green;">100%</td> </tr> <tr> <td style="text-align: center;">4.</td> <td>Was there sufficient time to debate priority items in depth?</td> <td style="text-align: center; color: orange;">50% – Yes 50% – Partially</td> </tr> <tr> <td style="text-align: center;">5.</td> <td>Were you satisfied that decisions were arrived at in a proper manner?</td> <td style="text-align: center; color: green;">100%</td> </tr> <tr> <td style="text-align: center;">6.</td> <td>Was the student experience at the heart of decision making?</td> <td style="text-align: center; color: orange;">50% – Yes 50% – Partially</td> </tr> <tr> <td style="text-align: center;">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="text-align: center; color: green;">100%</td> </tr> <tr> <td style="text-align: center;">8.</td> <td>Were opportunities created to invite input from Student and Staff Governors?</td> <td style="text-align: center; color: green;">100%</td> </tr> <tr> <td style="text-align: center;">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?	50% – Yes 50% – Partially	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?	50% – Yes 50% – Partially	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	
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9.	Any comments or suggestions?	None																														

20)	CLOSE	17:19
20.1 The meeting closed at 17:19.		

Action Summary

Item	Owner	Action	Due Date
1.1.1	RC/HC	Explore the feasibility of establishing a project team to improve the accuracy of the College's establishment list data through enhanced system integration, with a view to share an update on the estimated cost/timeline at the next meeting.	19 th November 2024
1.1.2	BH	Share a copy of the 'Forecasting & Budgeting Deep Dive' Presentation with RC&I Committee Members.	Complete
5.1.1	SB	Amend Slide 4 of the 'Draft Budget 2024-25' paper to provide clearer summary information on the 'Local Authority & Schools' and 'Other Income' lines.	1 st July 2024
5.1.2	RC/SB	Share a summary update on the College's HE provision, both related to the fee structure and courses on offer at the Lewes campus.	19 th November 2024
5.1.3	SB	Update the 'Draft Budget 2024-25' paper to include the following: <ul style="list-style-type: none"> • Additional commentary to explain the 7% increase in the total budget year on year. • Additional commentary on the 'Total Income' line. • Additional commentary to explain the increased Pay Budget, particularly with regards to administration and support staff. 	1 st July 2024
5.1.4	SB	Amend Slide 11 of the 'Draft Budget 2024-25' paper to collapse the pay categories listed to include only summary information.	1 st July 2024
5.1.5	SB	Share a copy of the updated 'Draft Budget for 2024-25' with the Chair of the Board/RC&I Committee Chair, before submitting for Board approval.	1 st July 2024
8.1.1	LC/SB	Amend the format of the People & Finance Joint Strategic Priorities to include separate RAG ratings for each of the Intended Impact/Measures captured within the table.	19 th November 2024
8.1.2	BH	Share details with all Governors regarding the forthcoming staff celebration event on 10th July 2024.	Complete
9.1.1	BH	Share a copy of the 'People Services' Presentation with RC&I Committee Members.	Complete
10.1.1	HC	Update the draft Five Year Financial Plan to incorporate the key changes detailed in Section 10.1 of the meeting minutes (text in green).	1 st July 2024
13.1.1	SB/HC	Update the Finance KPIs for 2024-25 to include 'Average Class Size' and 'Staff Utilisation'.	1 st July 2024
11.3.1	RC	Share an update on the application and impact of the Support Funds Policy, in terms of evidencing a contribution to the local communities that the College serves.	19 th November 2024