

Policy, Sustainability & Resources Committee

Tuesday 1st November 2022

Committee Room

Minutes

Attendees: Amanda Montague, Mark Emerson, David Warnes, Trevor Bolton, Peter McKercher, Debbie Garroway, Paddy Reilly, Sarah Noble, Richard Davidson, Barbara Vohmann, Debs Hurst, Phoebe Fuhr (Minute taker)

1.	Election of committee chair 2022/2023 <i>Amanda Montague welcomed everyone introduced this new committee. Trevor Bolton was nominated and seconded as chair and all members supported his nomination. Trevor took over the chair at this point.</i>	
2.	Apologies for absence Bev Mahoney and Fiona Chalk	
3.	Declaration of Interest and to notify any confidential items All committee members declared that their existing declarations were in place and to check with Fiona if they just needed to confirm any changes to these declarations rather than reiterate them each meeting. Action Clerk to remind governors to update declarations of interest as appropriate David Warnes – Director of Essex Shared Services Ltd, Dovedale Nursery CIC & dormant company Chelmsford Training Services Ltd. Amanda Montague- Dovedale Nursery CIC Richard Davidson- Essex Climate Action Barbara Vohmann- Working at Anglia Ruskin	FC
4.	Urgent business Governors noted that the energy contract has been agreed. At this stage the college has signed up to a 1-year contract effective 1 st Nov 2022 Total gas and electricity costs before discount are £920k after price cap. This one-year contract sees the price brought down to £475k. College Executive Group (CEG) are looking at an energy reduction plan to keep costs as low as possible. Secondary heaters will be taken out of rooms. This cost results in a negative difference of £275k to what is allocated in the college budget.	
5.	Presentation – Enrolment data for 2022/2023 16/18 numbers- in terms of funding implications for this year, the college will receive this year's income even if it under-recruits or over-recruits. The student numbers for this year will influence next year's income. In terms of Project Future, it was estimated there would be 2250 learners. Currently sitting at 2208 learners. At this point last year, we were at 2216 learners. Additional January starts will be brought in to make up the target figure by the end of the year.	

If there is no change in recruitment numbers, and the college does not meet the target, this will result in an income reduction of circa £365k. If the headcount is achieved, this will reduce to a 1.7% reduction (£200k). Based on the 4-year allocation trend, the college predicts a dip in next year's income.

Governors questioned:

What is the likelihood we will meet the target?

Last year we increased by 20 learners but there wasn't a great deal of push for January starts. It is difficult to say how confident we are that we will make up the number of learners. 150 learners have not continued past their 42 days, these are learners that will not be included in the funding calculation. We will be delivering more T-Levels next year. We have currently only run 1 T-level this year, but we hope to increase this to 7 T-levels.

- Adult education budget-

In terms of where we currently are, we didn't meet our allocation from last year. Our subcontractors didn't deliver the amount they were asked which *caused* a reduction in *income*. We are trying to bring forward several of our AEB courses *to realise revenue earlier in the year*.

Year to date we have currently delivered £119k. Last year we delivered £89k *at the same point*.

Governors questioned:

Concerns we had last year was that work was being done at the end rather than being spread out. How has this changed?

We are ahead of where we were last year. Our recruitment is lower for AEB programmes. This is predominantly due to reduced recruitment in Electrical and Access.

Are we able to start an early conversation with Learning Curve to ascertain their *potential* for the next year?

DW and DH had an initial conversation with the ESFA today regarding partnership working as opposed to subcontracting. Regardless of what the ESFA say, looking at past years, we need to look to grow. The college needs to better access the market for Adult Learning.

We are 3 months into the year and still have 9 months to go. To avoid falling behind this year, planning will be earlier.

If the ESFA come back and are happy with our models, we can go ahead and deliver these. There is a plan ready, we are just waiting for confirmation from the ESFA before we go ahead.

The college has appointed Lee Bird who is the head of business and commercial training who is in place to deliver AEB.

- National skills fund-

We have recruited well for this. This year to date we have spent £17.5k.

- Apprenticeships-

Budget income is £1.06 million. There is a slight delay in a number of starts, with an expectation to be back on track in the next couple of months. All of the apprentices are currently going through the sign-up process. The college is currently 16k short of the target. Given one of the constraints is getting tutors for the apprenticeships, the college needs to

	<p>think about how it can maximise the capacity that it has and what is the risk it can take for this.</p> <ul style="list-style-type: none"> • <u>Learner loans-</u> A small amount of loans are going through the approval stage. <p>Tuition fees- £267k HE fees £105k ESFA £21k Full cost £59k</p> <p>Governors asked: Across these income streams, is there going to be a date where we realise our targets are possible to meet. Are we able to find out early or do we have to wait until May?</p> <p>There will be a profile update in the next few weeks that will be monitored closely by SMT. SMT review against the monthly management accounts and reforecasts. A high-level re-forecast will be presented to the Board in December. SMT will be able to report what our subcontracting partnership is by the next board meeting in December and there may need to be Board approval by email to progress early delivery.</p>	
<p>6.</p>	<p>Management accounts to 30 September 2022 Currently showing a surplus of £57k, with funding below expectations in AEB courses and apprenticeships. This will result in a review of staffing requirements.</p> <p>Additional monies were put into the Estates budget for this year, which will now have to cover some of the additional energy costs.</p> <p>In terms of the debtor analysis, at this time of year we are owed £80k, with £18k left in the 181 days which are going through debt collection services. They may be some debts that will have to be written off as we cannot trace the debtor. There is a provision in the Nursery budget for these.</p> <p>Governors asked: Will we be able to make savings to make up for the reduced income?</p> <p>It is possible Yes. We will have to look at the curriculum plan for what is needed for each department and see if there can be reductions in this. DH needs to complete a full re-forecast from the original June budget. The energy reduction plan will hopefully see some reductions, but much of these costs are outside our control.</p> <p>Our examination costs are going to increase between 17% and 20%, that are not currently in the budget. Also, the volume is increasing due to the number of students that must <i>retake</i> English and Maths.</p> <p>Governors noticed the <i>increase in the examination fees is larger and later than expected</i>, which has been a surprise.</p> <p>The college has just put an application in for multiply funds. As a lot of colleges will be in the same position as Chelmsford, funds might be reduced to be spread more widely. These funds will not help with the exam costs.</p>	

	<p>Are we considering removing ourselves away from Pearsons next year due to these increased costs? This is part of the curriculum planning process. DG has spoken with CAMs to consider other awarding bodies.</p> <p>It would be helpful to add a column to the <i>Management Accounts</i> showing last year's actual costs, to give a comparison against planned budget and this year's actual spend to date, to help governors understand the context of the figures.</p> <p>Capital grants money is funds coming in that is added to the balance sheet. These figures will be updated as the college is receiving further capital grants money this year.</p> <p>The staffing costs are to be confirmed once the 42-day student period is confirmed. The management accounts for the next period will reflect this work.</p> <p><i>The September Management accounts were approved by the committee.</i></p>	
<p>7.</p>	<p>Review of annual report and accounts 2021/22.</p> <p>Due to the timings of this new committee's <i>meetings</i>, it wasn't possible to get the Annual Report to this <i>meeting</i> this year but will next year.</p> <p>DH met with the external auditors yesterday. We are looking for a deficit position of the year (2021-22) of £119k.</p> <p>We didn't achieve the 97% of the AEB so there will be a clawback, but this will be offset with a reduction in sub-contracting costs for a net £30k. In addition, we have received a credit note for the water company for overcharges for water/sewage £40k. These items will be flagged in the management letter but not adjusted in the accounts as they are immaterial.</p> <p>LGPS Pension Report. Governors noted the pension fund report. This is showing a gain of £10.2 million but will only be reflecting the college's £780k liability. The balance sheet will show no pension liability. There is an ESFA assurance review of bursary fund next week and no issues are envisaged.</p> <p>The only item outstanding is the going concern statement. Cash balance must be forecasted to December 2023. The auditors asked if we wanted to articulate that the costs of energy and inflation could affect going concern to highlight this to the DfE, or whether we wish to show some predicted surpluses from Project Future (£700k) for 22/23 will be used to mitigate this. Governors stated that the sensitivities of the assumptions need to be made clear. DH is confident that even with additional costs and if necessary, reducing surplus expectations, the college is a going concern from a cash point of view.</p> <p>The Senior Leadership team are meeting with the FE Commissioners this week. Governors stated it is important that going concern is flagged at their visit, that they are aware of the forecasting implications and the position the college is in. The ESFA should be made aware of this too.</p> <p>The report was received and discussed.</p>	

	<p>The AOC Turnover percentage is 15.3% for the Eastern Region but this is significantly out of date AOC 19/20 suggest a target of 25%. The college is currently at 32% for annualised turnover.</p> <p>Action - Governors requested a retention figure that shows how many staff members there are at the start of the year <i>and how were still in post</i> at the end of the year and whether there is any commonality of job roles, or academic versus learning support and business support staff.</p> <p>Action - commentary to be provided to break down the turnover figure.</p> <p>Action - DG to go away and have a look at a different method to use other than the 5 key expectations.</p> <p>Action – Governors stated that the KPIs need to link back to the college’s strategic objectives, it’s mission, vision, and values.</p>	<p>DG</p> <p>DH/DG</p> <p>DH/DG</p>
<p>10.</p>	<p>College climate action roadmap</p> <p>Due to commitments such as Project Future, this has not moved on as much as planned. Governors noted the figures of data mapped to date, and actions taken showing progress. Further resources and training are being planned.</p> <p>Governors noted the resources required and the ownership of the whole college community. Some quick wins were discussed to drive this forward.</p> <p>Students are engaging well with this and is becoming embedded. The college sustainability committee will drive this forward and bring for discussion at the board level.</p> <p>DW said this is an area he has led at a previous college.</p> <p>Action – DW to review progress and put an action plan in place</p> <p>Opportunities to work on shared estate with schools, the university, and council on this initiative were discussed. This can also lead to access to potential funding options, and shared learning.</p>	<p>DW</p>
<p>11.</p>	<p>HR Report</p> <p>Governors noted employment relations remain positive with the unions. No employment tribunals and no formal grievances have been raised. The pay rise was well received but people are still struggling with the cost-of-living crisis.</p> <p>Absence is 6 days against a target of 5.</p> <p>The college had an internal audit health check that was presented at the Board Development Day. The main risk is around recruitment and the turnover. The ability to recruit to teaching positions and business support is remaining difficult. A workforce plan workshop will be put in place to see how the college can recruit to Chelmsford college.</p> <p>Action - DH to pass on the thanks to the HR team for the mental health training at Board Development Day.</p>	<p>DH</p>
<p>12.</p>	<p>Cashflow forecast 2022/23</p> <p>Document was reviewed. This will be updated to reflect October actual data. Based on the current information, the bank covenants will be met in</p>	

	Spring 2023. This will be updated to support the going concern statement in the annual accounts.	
13.	<p>Health & safety verbal update</p> <p>The health & safety committee is taking place on 02/11/2022. This report will be presented at the December board. In future, the timing of this committee will fit with the H&S committee dates.</p>	
14.	<p>Estates report</p> <ul style="list-style-type: none"> • <u>Construction Centre Lift</u>- lift £27.6k spent last year Installation was £138k + remedials. Total cost of £175k but £150k in this financial year. • <u>PR student wellbeing hub</u>- Redesigned the assessment centre. Created an open space, one for counselling and one spare room for student support to use. • <u>MS tutorial suite</u>- This space has now been divided into 3 – 2 classrooms and 1 workspace. £40k. • <u>Institute of technology</u>- Half will be a CAD and VR suite and the other side will be a Learning Resource Centre. This should be complete by 11th November 2022. The IoT should be finished by the end of November. There is some grant being made available for £50k of extra costs. <p>The limit of the capital spend has been reached. The strategic development funds received are for some work on IT rooms, to be completed in February 2023. The sports centre work, if it goes ahead, will commence in 2024 with college funds committed in 2023-24. This will be decided by the City Council. The college will continue to source additional funds.</p>	
15.	<p>Insurance policies review/ leases-</p> <p>Governors noted the insurance policies in place.</p> <p>Governors asked if there are any risks that aren't insurable or economically unviable to insure.</p> <p>Action - DH to report at next meeting on uninsurable risks.</p> <p>Action - Governors asked to have the Insurance Schedule uploaded to the Governors portal.</p> <p>Governors asked if the lease approvals should come through the board as these are essentially capital investments over a period of time, as assets the governors should have oversight of. The Board approves the Revenue budget figure, which includes this spend. The level of spend maybe within the approved spend of the CEO, but the governors need to consider the duration. The scheme of delegation from the Board may need to be amended to address this.</p> <p>Action - -DH will address approval of leases at Budget approval level</p>	<p>DH</p> <p>DH/FC</p> <p>DH/FC</p>
16.	AOB	

	<ul style="list-style-type: none"> The ToR of the PS&R committee to be reviewed against the audit committee ToR, as there are a couple of overlaps <p>Action – FC to review Terms of Reference for duplications with Audit committee</p> <ul style="list-style-type: none"> PS&R committee should take a lead and ask for papers to be distributed electronically? Printing costs are probably greater than the cost of issuing an electronic device to those who require it. <i>All members agreed.</i> <p>Action - All papers for this committee ONLY to be issued electronically</p> <ul style="list-style-type: none"> The sub-committee is large. Do the members of this committee need to be reduced? <p>Action - Chair to discuss with Fiona as to who the members need to be.</p> <p><i>Meeting closed 16:45</i></p>	<p>FC</p> <p>FC</p> <p>TB/FC</p>
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