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## Special Finance and Employment Committee Minutes

Meeting held on Thursday 13<sup>th</sup> February at 4.30 pm, SRC Teesdale, Room 301

**Present:** Phil Cook (Chief Executive and Group Principal), Louise Davies, Russ McCallion (Chair), Phil Heathcock and Mark White

**Officials:** Jason Faulkner (College Principal RCC), Phil Hastie (Group Executive Director Planning and Infrastructure), Erika Marshall (Group Director of Marketing), Gary Potts (Group Director of Business Engagement), Fiona Sharp (Group Executive Director Finance), Kay Taylor (Group Director of HR), Sarah Thompson (Clerk to the Corporation) and Sam Young (Governance Support Officer)

**Apologies:** None, all members were present.

### **F20/1 Agenda Item 1 - Minutes of Previous Meetings**

#### **Agenda Item 1.1**

The minutes of a Finance and Employment Committee meeting held on 26 November 2019 had been circulated and were **approved** as an accurate record.

#### **Agenda Item 1.2**

The minutes of a joint meeting of the Finance and Employment Committee and Audit Committee held on 26 November 2019 had been circulated and were **approved** as an accurate record.

#### **Agenda Item 1.3 - Matters Arising**

Progress against actions was noted. The Group Executive Director Finance confirmed that trips both with and without overnight accommodation were covered by the Group travel insurance and that travel assistance packs were available for any trips away from college buildings. Governors were covered under the same policy but not for involvement on student trips; in the event, these would need to be highlighted to the Group Executive Director Finance to arrange insurance cover.

### **F20/2 Agenda Item 2 – Integrated Financial Model for Colleges**

The Group Executive Director Finance outlined the process for submission of the Integrated Financial Model for Colleges (IFMC) to the Education and Skills Funding Agency (ESFA). The forecasts to be submitted for 2020-21 and 2021-22 had been formulated with input from senior managers, based on latest intelligence and experience.

In response to a member's question about the budget setting process, the Group Executive Director Finance confirmed that the budget would be considered as part of the Business Planning (BP) process commencing later this month and would be presented to Finance and Employment Committee in June for recommendation to the Corporation meeting in July. However, unlike in previous years, this budget would not be submitted to the ESFA. Under the Restructuring Facility (RF) monitoring timetable, Etc. would be required to make more than one annual return; the CFADS (Cash Flow Available for Debt Servicing) model had been replaced by the IFMC model with returns now to be made three times per year. The annual IFMC submission deadline would be 31 January from 2021 onwards.

A member questioned the timing of the IFMC submission date and the Group Executive Director Finance explained that the January deadline had been questioned by the Association of Colleges' (AoC's) Finance Directors' Network and, through weekly webinars, finance directors continued to question the level of detail and manual input required to make the IFMC model work. The College Finance Directors' Group had also written to Matt Atkinson, Director, Provider Market Oversight (PMO), ESFA, to raise concerns. She added that version 6 of the IFMC had only been released the previous Friday for submission by the end of February and that, with the support of Robert Griffiths, the Group's Turnaround Director, the majority of data had already been transferred from version 5 to version 6. A commentary, cross-referenced against the financial planning checklist, would be provided to Corporation for the meeting on 27 February to accompany the IFMC.

A member asked if the IFMC would provide any useful information to the group. The Group Executive Director Finance explained that the previous CFADS model for RF monitoring had resulted in monthly financial data uploads and improved cashflow information, both on a daily basis and for longer term forecasts, but that it was too early to assess any positive outcomes from the IFMC.

At the request of the Chair, the Group Executive Director Finance detailed each of the assumptions considered in the forecasts for inclusion in the IFMC. She explained that each income line had been considered for the 2020-21 and 2021-22 forecasts and assumptions made with the best current information, input from all members of the Senior Management Team (SMT) and moderated predictions, supported by AoC guidance. Members considered the impact of introducing the National Minimum and Living wages and investment in technologies to improve staff efficiency on the staff cost / income ratio. In terms of forecasted subcontracting costs, the Group Director of Business Engagement highlighted the forecasted reduction for 2021-22 due to the current short-term subcontracting arrangement with TTE.

Members **noted** that the IFMC, due for submission to the ESFA by 28 February, would be presented to Corporation for approval on 27 February 2020. Members **agreed** to recommend the assumptions considered in the forecasts for inclusion in the IFMC in advance of formal approval by Corporation.

**F20/3      Agenda Item 3 – Capital Development Project – Centre for Energy, Engineering and Advanced Manufacturing**

The College Principal RCC outlined the proposal to develop a Centre for Energy, Engineering and Advanced Manufacturing (CEEAM) at Redcar and Cleveland College (RCC). The previously circulated draft Business Case detailed how the centre, in partnership with new and existing partners in the Tees Valley, would align with key areas of growth and skills gaps identified in the *Tees Valley Strategic Plan 2016-26* and develop the future workforce in the Redcar area. Links with industry and specialist training providers would be strengthened through a Local Advisory Board (LAB). An industry expert had been recruited to shape and strengthen this LAB and develop a Framework for Behavioural Safety programme. The College Principal RCC outlined the risks associated with the development of the CEEAM and mitigating measures, including spreading capital investment over two years.

In response to a member's question about RCC's work with schools, the College Principal RCC highlighted that RCC had recently made a successful bid to run Inspire2Learn, delivering STEM (science, technology, engineering and maths) workshops to primary and secondary pupils from across the Tees Valley. In response to members' questions, the College Principal RCC outlined how creation of the centre would add to the strength and depth of the Etc. curriculum offer and how the LAB would help to shape a curriculum based on the needs of local employers. A member asked about measures to ensure the centre delivered its vision and learner targets and the College Principal RCC outlined proposals for the launch with attendance from the Tees Valley Mayor and the Redcar MP to create initial media attention and attract learners. A marketing plan and social media campaign would dovetail with a strong employer base to build interest over the longer term in engineering provision. The Group Director of Business Engagement added that investment was needed in the facilities in order to grow learner numbers.

Members supported the project and **agreed** that the CEEAM Business Case, as a long-term strategic project, would be presented at the next Corporation meeting on 27 February for formal approval. It was also **agreed** that a set of five or six Key Performance Indicators (KPIs) should be developed and reported back through Finance and Employment Committee.

**F20/4      Agenda Item 4 – Any Other Business**

There were no items of other business.

**F20/5    Agenda Item 5 - Approval of Documents for Inspection**

It was **agreed** that the agenda for the current meeting be made available for public inspection; supporting papers for agenda items 2 and 3 were deemed commercial in confidence. Minutes of this meeting would be made available for public inspection following committee approval.

**F20/6    Agenda Item 6 – Date and Time of Next Meeting**

Thursday 26 March 2020, 5.30 pm at SRC Teesdale.

**F20/7    Agenda Item 7 – Key Themes**

The following items were identified as key themes:

- Considered Integrated Financial Model for Colleges submission and agreed for consideration by Corporation
- Supported further development of Centre for Energy, Engineering and Advanced Manufacturing (CEEAM)

*The meeting ended at 5.30 pm.*

**Approved at a remote meeting**

**Date: 20<sup>th</sup> May 2020**