Finance and Employment Committee Minutes

Meeting held on Thursday 31st March 2022 at 5.30 pm, SRC 301

Present: Fabienne Bailey, Phil Cook (Chief Executive and Group Principal), Louise Davies (Chair), Martin Gray and Mark White (Corporation Chair)

Officials: Jason Faulkner (College Principal Redcar and Cleveland College (RCC)), Phil Hastie (Group Executive Director Planning and Infrastructure), Erika Marshall (Group Director of Marketing), Gary Potts (Group Vice Principal Business, Innovation and Partnerships), 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: There were no apologies for absence from committee members

Fabienne Bailey, Phil Cook and Sarah Thompson joined the meeting via Teams. Mark White declared an interest as a member of UNISON (agenda item 7.1) and as Chair of the Thornaby Town Deal Board (agenda item 9); there were no other declarations of interest in items on the agenda.

F22/1 Agenda Item 1 - Minutes of Previous Meetings

1.1 - Minutes of previous meetings

The minutes of a Finance and Employment Committee meeting and a joint Audit and Finance and Employment Committee meeting, both held on 25 November 2021, had been circulated and were **approved** as accurate records of the meetings.

The confidential appendix to the minutes of the Finance and Employment Committee meeting, considering recommendations from the Remuneration Committee, was also **approved** as an accurate record.

1.2 – Matters Arising

The Group Executive Director Finance requested that benchmarking of funding stream proportions against other colleges' data should be included annually in the covering report rather than added to the Monthly Management Accounts (MMAs) and members **agreed** this approach. Members **noted** that the Group Executive Director Finance would be arranging a briefing with the Corporation Vice Chair on the group's pension schemes as requested at the Joint meeting. All other actions had been completed or were not yet due; progress against actions was **noted**.

F22/2 Agenda Item 2 – Group Monthly Management Accounts (MMA6 incorporating Etc., NETA and TVC)

The Group Executive Director Finance presented the previously circulated monthly management accounts (MMAs) for period 6, updating the year to 31 January 2022, and confirmed that the operating year end surplus remained broadly in line with budget, with a

slight adverse variance. The balance sheet continued to show healthy cash balances, aligned to the financial plan, and standard capital programmes spend was in line with plan, with [REDACTED] being held in the event that major capital projects required a level of college contribution. She added that all lines would be reviewed at Performance Review 6 (PR6) with forecasts then updated as appropriate; there were no concerns to raise and the bank covenants for 2021-22 were showing as compliant. As previously requested by the committee, benchmarking to 2019-20 finance records had been included in the covering report, showing that, of the local Tees Valley FE colleges, Etc.'s reliance on funding body grants as a percentage of total income had been the lowest for that year; the table would be updated on release of 2020-21 data.

Members **noted** the Group Monthly Management Accounts period 6 (MMA6).

Agenda Item 3 – Group Budget Monitoring Reports

Reports on the following Group budgets had been circulated with the meeting papers:

F22/3 **Agenda Item 3.1 – Core Income**

The Group Executive Director Planning and Infrastructure confirmed that the position in relation to core income streams remained as detailed in the circulated report; Adult Education Budget (AEB) funding was currently forecast below budget levels and behind profile but was expected to recover throughout the year. He added that recruitment to Bespoke Employer Led Programmes (BELPs) had been improving as the year progressed. Core income was regularly monitored in depth with departments through the PR process and close relationships were being maintained with the Tees Valley Combined Authority (TVCA) on AEB delivery, with the group currently within TVCA tolerance levels.

A member asked if core income would recover fully by year end and the Group Executive Director Planning and Infrastructure explained that core income was expected to be below the full year forecast, predominantly due to the continuing impact of COVID-19, with some programmes continuing to run with lower numbers than optimal. The Group Vice Principal Business, Innovation and Partnerships added that referrals from other agencies were being converted into registrations but that demand had been lower than usual. In response to a member's question, he added that learners still seemed reluctant to commit to courses due to health, financial and childcare concerns and that the TVCA reported similar experiences across providers. A member asked if targets would have been set differently if these factors had been known at the time and the Group Vice Principal Business, Innovation and Partnerships explained that the group received an allocation based on the previous year's delivery and then acted responsively to meet demand and reach the target set for that year. Members noted how additional support funding for adult learners could help cohorts access education. The Group Executive Director Planning and Infrastructure added that the core income forecast had been set prudently given the unknowns and was closely monitored through the PR process.

Jason Faulkner joined the meeting.

A member commented that apprenticeship income was currently below budget levels and asked how the current year compared to the previous year. The Group Vice Principal Business,

Innovation and Partnerships explained that variables including a lag in government incentives delivering increased demand, the lower carry forward to this year and pipeline apprenticeships not materialising had not been forecasted accurately but that a more robust forecasting tool was now in place. He added that apprenticeship income reported in the 2020-21 annual accounts of eight other comparable colleges in the region had been compared against 2019-20. The decrease in apprenticeship income had ranged from 1% to 23%, with Etc.'s income decreasing by [REDACTED]; he added that the decrease of only [REDACTED] reported by [REDACTED] College was felt to be due to their more effective apprenticeship pipeline. The forecasting tool now used built in most mitigations, with in-year projections for learner starts broadly in line with actual starts, but there remained many unknowns and external factors.

A member confirmed that, from their own experience, the national picture and factors affecting income were comparable with those reported by Etc.; she added that students were often withdrawing from courses before day 42, many with mental health issues, and asked if the group was using any mitigating strategies. The Group Vice Principal Business, Innovation and Partnerships outlined that this was a particular issue in the health care sector and that Careers Education, Information, Advice and Guidance (CEIAG) support ensured that the right student was matched to the right business before converting to an apprenticeship; Right Choice reviews were in place to assess if learners were enrolled on the right programme. The Chief Executive explained that setting a prudent income budget would require a reduction in expenditure and added that reports to this committee tended to monitor income in isolation whereas, through the business planning and performance review cycle, income was considered alongside expenditure. He added that the ability to offer apprenticeship provision had also been affected by difficulties in recruiting assessors and business development coordinators.

The Group Executive Director Finance clarified that the Strategic Development Fund (SDF) income was included under Other Education and Skills Funding Agency (ESFA) funding rather than under the Project Income line in MMAs.

Members **noted** Core Income at period 6.

F22/4 Agenda Item 3.2 – Non-Core Income

The Group Executive Director Planning and Infrastructure highlighted that non-core income remained in line with previous reports. Higher Education (HE) franchising was currently forecast marginally below the planned whole year budget and, as a result of lower than planned Access programme recruitment, Advanced Learner Loans income was also forecast below budget. Further Education (FE) tuition fees income was currently forecast marginally ahead of budget and full cost provision, though forecast lower than budget, had now recovered to expected monthly levels. He added that the group offered only a small amount of eligible provision now transferred to National Skills Pilot funding.

A member asked if 14-16 fees was a potential area for growth and the Group Executive Director Planning and Infrastructure explained that the 14-16 market was quite unpredictable and not a large income stream. He added that some income for 14-16 provision was included in the 16-18 income line. The College Principal RCC highlighted that academies could often

provide their own 14-16 provision more cost effectively and that the two local authorities had increased specialist capacity in Pupil Referral Units and Alternative Provision; he added that college provision could be relatively expensive in comparison.

Members **noted** Non-Core Income at Period 6.

F22/5 Agenda Item 3.3 – High Needs Income

The College Principal RCC explained that Element 2 funding was guaranteed for the year and would be delivered in line with budget; although, at this point in the year there was greater assurance that Element 3 income would be marginally above budget, there remained a limited risk in the financial projections due to a small number of annex 1 applications still to be agreed. He added that planned outcomes for learners looked positive and a health project was in place to support learners with disabilities.

In response to a member's question, the College Principal RCC highlighted that much of the SEND (Special Educational Needs and Disabilities) White Paper focused on schools, rather than colleges, but that the group was in a strong position, could provide robust evidence to local authorities for Annex 1 applications and had invested in Preparing for Adulthood (PfA) initiatives. He added that the group had positive working relationships with both the Stockton and Redcar and Cleveland local authorities, with an agreed pricing structure for high needs support.

Members **noted** High Needs Income at Period 6.

F22/6 Agenda Item 3.4 – Learner Support Funds

The College Principal Bede was unable to attend the meeting but had provided a report, circulated with the meeting papers, and had confirmed that there were no concerns to raise in relation to Learner Support Funds. The Group Executive Director Finance highlighted that Learner Support Funds were not included in the final accounts but were presented to the committee for transparency.

Members **noted** Learner Support Funds income at Period 6 and that the Learner Support Funds budget was currently forecast in line with budget for 2021-22.

F22/7 Agenda Item 3.5 – Capital Grants

The Group Executive Director Finance confirmed that capital grants received by the group were held on the balance sheet as 'Deferred Capital Grants' and released to the Income and Expenditure account on a monthly basis in line with depreciation; they were a 'non-cash' item on the balance sheet. She added that the current budget lines included only the standard capital grant and that the grants relating to major capital schemes would be released following completion of the schemes, expected to be from 2022-23. These higher levels of grant funding would also have an effect on depreciation levels in future years but, due to the low percentage of group contribution, this was not expected to be substantial.

In response to a member's question, the Group Executive Director Finance confirmed that the HE capital grant was related to the Teesside University funded HE centres at SRC and RCC.

Members **noted** Capital Grants Income at Period 6.

F22/8 Agenda Item 3.6 – Project Income

The Group Vice Principal Business, Innovation and Partnerships had provided information on project and education contract income as at period 6, with an updated position at period 7 for non-education contract project income only. A detailed list of project income had also been provided in the appendix to the report. He added that AuditOne, the group's internal audit providers, were currently undertaking an advisory audit on the SDF project.

Members **noted** Project Income at Period 6.

F22/9 Agenda Item 3.7 – Other Income

The Group Executive Director Finance explained that Other Income, including interest receivable and commercial income, was broadly in line with budget; notice had been served in January 2022 to withdraw funds from the Green deposit accounts held with Barclays in light of the expected cash requirements relating to major capital schemes. She added that the group's VAT specialists had advised that a VAT refund could be available under the Lennartz mechanism; this had now been confirmed by Her Majesty's Revenue and Customs (HMRC) and would be included in the forecasts at PR6 and in the next report to the committee.

Members **noted** Other Income at Period 6.

F22/10 Agenda Item 3.8 – Subcontracting

The Group Vice Principal Business, Innovation and Partnerships reported on key changes to 2021-22 partner activity since presented at the November 2021 committee meeting. As a result of increased ESFA funding, the total contract value with NC Group, who delivered programmes in Newton Aycliffe with 100% job outcomes, had been increased [REDACTED]. As recruitment had started to recover following Covid, contract values had also been increased with Delta North for both 19+ and 16-18 Prince's Trust provision. However, contract values had been reduced with Tyne & Wear Fire and Rescue due to poor recruitment and this contract was being wound down due to this and concerns over quality, with no programmes planned with them for 2022-23. A number of apprentices with Flexi Training were currently undertaking End Point Assessments (EPAs), with some remaining on Breaks in Learning (BiLs); provision with Flexi was also winding down with a contingency in place to engage with NC Group to ensure all apprentices completed their programmes.

The College Principal RCC, and lead for Prince's Trust, explained that there had been some impact on Prince's Trust recruitment due to referrals to the Kickstart programme though these were expected to reduce. He had also met with the Prince's Trust Head of England and Director for the North the previous day and discussed possible strategies to ensure Prince's Trust provision routes, particularly for 19+, were highlighted to the Department for Work and Pensions (DWP) nationally.

Members **noted** revised subcontracting levels as outlined in the report and **agreed** to recommend their approval to Corporation.

F22/11 Agenda Item 3.9 – Pay Costs

The Group Executive Director Finance explained that, in line with lower than planned levels of income, pay costs overall were forecasted to save against budget and would be reviewed through PR to ensure staff cost / income ratio targets were met. The impact of increases in National Insurance (NI) employer contributions and the National Living Wage (NLW) had been factored in for the current year and, as they had only been increased for part of the current financial year, would have a greater impact in future years. She added that the Association of Colleges (AoC) had forecasted that the NLW would further increase to £10 from April 2023 and pay cost forecasts would be based on this. Pay scales, including increments, would also be reviewed on a departmental basis through the PR process. She clarified that, for prudence, the full year budget for restructuring costs would remain in place.

Members **noted** Pay Costs as at Period 6.

F22/12 Agenda Item 3.10 – Non-Pay Costs

The Group Executive Director Finance confirmed that there were no areas of concern and that any increases in costs were related to additional activities funded through project income. She added that Heads of Department were responsible for managing non-pay costs, with the increased costs of materials factored in at departmental level. Budget holders were also instructed to seek savings through efficiencies, particularly through the effective use of technologies.

A member asked about the impact of the increasing cost of utilities and the Group Executive Director Planning and Infrastructure explained that this had been mitigated by fixed price utilities contracts in place for the current year and the following two years. He added that utility costs would be reviewed by the incoming Group Head of Estates, expected to take up post in May.

Members **noted** Non-Pay Costs at Period 6.

F22/13 Agenda Item 4 – Finance Reports (Subsidiary Companies)

Agenda Item 4.1 – NETA Finance Update

The Group Executive Director Finance explained that, as reported to the NETA Board on 18 February 2022, the year-end forecast remained unchanged. With a strong management team in place, the cash position was positive and the intercompany loan facility, though still available, had been cleared in January 2021 and remained at nil. She confirmed that the Transfer of Undertakings (protection of employment) (TUPE) for the remaining staff on NETA contracts to Etc. employment would take place to coincide with the end of this tax year and, as NETA would continue to trade as a company until the end of the financial year, costs for these staff would be transferred back to NETA for the financial statements.

In response to a member's question, the Group Executive Director Planning and Infrastructure confirmed that a formal transfer agreement, similar to that for the RCC merger, would be signed by the Chair of the FE Corporation towards the end of July 2022. The Group Executive

Director Finance added that she was consulting with RSM, the group's external audit providers, on any requirement for a formal NETA Board meeting to approve 2021-22 financial statements.

Agenda Item 4.2 – Tees Valley Catering (TVC) Finance Update

The Group Executive Director Finance highlighted that, as reported to the TVC Board on 18 February 2022, the year-end forecast for TVC also remained unchanged; the HR team were supporting TVC but, in line with the national picture, the recruitment and retention of hospitality staff, remained a challenge.

A member asked if staffing issues were mainly due to these national issues or as a result of the rates of pay offered. The Group Director of HR explained that TVC had brought forward the increase in the NLW from April to tackle recruitment issues and that these increased pay rates had been highlighted to recruitment agencies and in recruitment campaigns. Applicants were also being contacted as soon as they submitted applications to mitigate the risk of them accepting other employment offers. The Group Executive Director Finance added that TVC was also offering students short term work experience opportunities.

In response to a member's question about catering provision at the Durham University International Study Centre (ISC), the Group Executive Director Finance explained that TVC had been providing services since the middle of September 2021 and that, although projected numbers had not been met, any financial risk to TVC had been mitigated by the service charge put in place. [REDACTED]

Members **noted** the subsidiary company updates.

F22/14 Agenda Item 5 – Student Recruitment Update

The Group Director of Marketing outlined key highlights from her previously circulated report; although the group target for 2021-22 had not been achieved, there had been year on year growth in overall 16-18 recruitment. The standard algorithms for conversion rates from offers accepted to enrolment had not proved accurate for 2021-22 due to learners accepting multiple offers following telephone, rather than in person, interviews. To date, for 2022-23, offers accepted compared favourably with 2020-21 and were all the outcome of face to face interviews, with early relationships formed with learners. The marketing team was working with curriculum on strong keep warm activities and actions to ensure maximisation of progressing learners. HE recruitment had also been lower than target and, with the positive announcements around the Clean Energy Education Hub and the recruitment of a dedicated business development manager, engineering provision and employer engagement at RCC was a key area of focus for 2022-23 HE recruitment. Apprenticeship recruitment remained below target in year and, with just over [REDACTED] vacancies to fill, the marketing team were working closely with the Business Development Unit (BDU) to address this.

Members **noted** the update.

F22/15 Agenda Item 6 – 2022-23 Budget Development and Planning

The Group Executive Director Finance explained that the circulated report provided an updated position in relation to the early stages of budget development for 2022-23. Work was ongoing to review the financials from BP1, held during March 2022, but, at headline level, the overall position looked positive. She thanked the Group Executive Director Planning and Infrastructure for providing the detailed appendix giving initial indications of funding streams and lines for the coming year. The budget would be refined and assumptions tested in further business planning rounds; the key considerations had been listed in the report and would be revisited at each round.

The Group Executive Director Planning and Infrastructure confirmed that an update on funding allocations for the following year would be provided at the next committee meeting and highlighted the complexities of the group's income streams, with over 60 lines of funding listed; a comparison with the current year had also been included in the table.

Members agreed that, though funding was complex, the robustness of the business planning process reflected this and gave governors confidence in financial oversight.

Members **noted** budget development for 2022-23.

Agenda Item 7 – Great Place to Work Strategy and Update, including Staff Survey

F22/16 7.1 – Great Place to Work Strategic Objective, including HR Update

The Group Director of HR outlined that the Great Place to Work Strategy had been launched in January 2020, then reviewed in January 2022 and presented at the Governors' Strategic Conference in February; the review had found that the seven key themes remained strategically relevant and her report provided a high level update for each theme. She highlighted that there were no staff performance management concerns; in terms of voice and representation, discussions relating to the recent pay offer [REDACTED] were ongoing with the unions through the Joint Consultative and Negotiation Committee (JCNC). [REDACTED]

In response to a member's question, the Group Director of HR confirmed that UNISON membership represented a small proportion of Etc. staff and that the newly appointed regional organiser for UNISON was hoping to recruit a local Etc. rep.

As previously reported under agenda item 4.1, the Group Director of HR confirmed that, with the consultation period now closed, the TUPE process for NETA staff to Etc. had gone well and that feedback from staff had been positive.

Under the health and wellbeing theme, overall absence levels were being closely monitored and staff had access to a range of targeted support and early interventions, including the Employee Assistance Programme (EAP) and the recent introduction of Qwell, following a suggestion by a governor at February's Strategic Conference. A member commented positively on the menopause support for staff detailed in the report. The Group Director of HR confirmed that, to enable uploading by 31 March, the Gender Pay Report had been presented to and

agreed by the FE Corporation at their meeting on 10 March; the data showed a narrowing of the mean gender pay gap from £2.04 in 2020-21 to £1.92 in 2021-22.

Following the successful hybrid working pilot, the intention was to formalise the approach to flexible and home working from 1 August 2022, in line with agreed policies. A member asked if all staff would have the option to choose hybrid working and whether there would be any financial support for equipment, for example. The Group Director of HR confirmed that not all roles would be suitable for hybrid working but that this would be considered at departmental level. However, it would not be the intention to provide dual work stations for home working.

A member commented on the excellent outcomes from the Kickstart programme and the Group Director of HR explained that although the scheme had had an impact on Prince's Trust recruitment, as reported under agenda item 3.8, and referrals had been lower than hoped, the outcomes for the [REDACTED] who had completed the programme had been pleasing.

In response to a member's question about the number of capability cases, the Group Director of HR confirmed that these covered a range of capability issues and that the group was starting to see a rise in absence and performance related capability; these were robustly managed by the HR team to achieve good outcomes and none had escalated to tribunals or external action against the group.

Members **noted** the update.

F22/17 7.2 – Staff Survey

The Group Director of HR outlined key data from the annual staff survey carried out in December 2021, with an excellent 91% response rate; the results had been benchmarked nationally against 55 colleges with results predominantly in quartile A. The focus was now on the three-year trends and results at the margins in order to drive through improvements in performance, particularly in the area of working conditions. In addition to the data, staff comments would be considered in detail through the PR process, with departmental action plans developed in response. The high response rate, with managers encouraging staff to complete the survey and acting on feedback, evidenced a culture in which staff felt listened to.

The Chief Executive commented that staff were encouraged to complete the staff survey and were aware that managers appreciated and acted on their feedback; he added that the shortened timeframe for the survey helped to maximise completion and that the Group Director of HR monitored response rates at departmental level during the survey, following up with heads of department where necessary.

Members **noted** the staff survey results.

F22/18 Agenda Item 8 – Capital Programme Review

The Group Executive Director Finance explained that the circulated report outlined the annual exercise reviewing projects funded from the group's standard capital budget. As part of the PR process, all projects were reviewed twelve months after completion to provide an

evaluation of the impact of capital investment. She added that the reviews, compiled by the Group Head of Finance, demonstrated the variety of projects funded, along with their budget and actual costs, and gave a summary of review comments.

A member commented on the value of reviewing at twelve months to measure the return on investment and, in particular, the quantitative measure of additional revenue generated by the investment in welding equipment at NETA. A member asked about how the annual budget for the capital programme had been determined and the Group Executive Director Finance explained that the level had been derived from the CFADs (Cash Flow available for debt service) financial model put in place on merger with RCC. A member then asked if having to find match funding for larger capital projects would have an adverse effect on the capital programme budget and the Group Executive Director Finance confirmed that only half of this year's budget had been allocated to projects, with the rest set aside for potential match funding requirements. She added that, in the future, more metrics would be included in the review presented to the committee as applications were now required to include targets, for example, increased student numbers, so that the return on investment could be measured.

Members **noted** the report and **agreed** that the financial sustainability of the group was being maintained through the delivery of the group's financial plan and the group continued to develop and deliver a capital investment programme which ensured a 'fit for purpose' estate for the future.

F22/19 Agenda Item 9 – Infrastructure Update including update on Major Capital Projects and Land Acquisition

The Group Executive Director Planning and Infrastructure presented the circulated update outlining progress on major capital projects presented in order of priority in the group's property strategy.

[REDACTED]

The Group Executive Director Planning and Infrastructure then outlined the proposed arrangements for selection of the main contractor for the two RCC projects, the Clean Energy Education Hub and the T Level project, and the proposed procurement route for the Bede project. The cash values of the combined tender returns for RCC were being formally evaluated by the design teams and a table showing current costings had been included in the report. He [REDACTED] agreed to provide members with the social value statements from all four bids, including apprenticeships and local procurement commitments, following the meeting. He also explained that the mini tender process proposed for selecting a contractor for the Bede project would enable speed to market to ensure delivery of the project by the required completion date [REDACTED].

He added that, at their last meeting, Capital Group members had identified that a key risk would be for the group not to engage with projects at this time and lose the opportunity of the high percentage of grant funding currently offered by the DfE.

Members noted the substantial amount of funding that had been secured for major capital projects and the Group Executive Director Finance explained that, as the projects could potentially involve some borrowing, initial conversations had taken place with the TVCA and the group's bank, Barclays; both had been supportive and she added that the borrowing to income ratio would remain low.

Mark White left the meeting and the Clerk confirmed that the meeting remained quorate.

A member asked if there was a set timescale for Thornaby Town Deal capital spending and the Group Executive Director Planning and Infrastructure confirmed that the Town Deal Board had been satisfied with the timelines proposed by the group.

Members **noted** the report and:

i) **[REDACTED]**;
ii) **agreed** that approval of the selection of the main contractor for the Redcar projects should be undertaken by the FE Corporation Chair, taking account of advice from the Corporation Vice Chair (as Chair of the Capital Group) and the Chair of the Finance and Employment Committee, and that this be subsequently reported to the Finance and Employment Committee;
iii) **agreed** the proposed procurement approach for the Bede project [REDACTED];
iv) **agreed** that approval of the selection of the main contractor for the Bede project should be undertaken by the FE Corporation Chair, taking account of advice from the Corporation Vice Chair (as Chair of the Capital Group) and the Chair of the Finance and Employment Committee, and that this be subsequently reported to the Finance and Employment Committee.

F22/20 Agenda Item 10 – Exceptions to Financial Regulations

The Group Executive Director Finance explained that, in line with the Financial Regulations, her circulated report included details of three exceptions to the tender process; these had been approved in line with the group's Financial Regulations, with all three approved by herself and the Chief Executive and Group Principal and two previously reported to and endorsed by the Chair of the Finance and Employment Committee. She added that all three exceptions had been added to the register of approved exceptions to Contract Procedure Rules and that this was the first occasion exceptions had needed to be reported to the committee in several years. The Group Vice Principal Business, Innovation and Partnerships explained that the exception for capital expenditure [REDACTED] had been due to the tight SDF project timelines. The Committee Chair confirmed that she had discussed and robustly challenged the exceptions for purchase of equipment at NETA with the Group Executive Director Finance at the time.

Members **noted** the three instances of exceptions from Financial Regulations regarding tendering and that a reminder would be issued to group budget holders on Contract Procedure Rules and the requirement to adhere to Financial Regulations.

F22/21 Agenda Item 11 – Environmental Strategy

The Group Executive Director Planning and Infrastructure presented his circulated update and asked governors to note positive progress on the Environmental Strategy and, in particular, the achievement of 'Carbon Neutral' certification; he confirmed that the Group Director of Marketing had arranged for the publication of the Streamlined Energy and Carbon Report (SECR) for 2020-21 on the Etc. website. He added that the group's carbon footprint and emissions compared well with other colleges' carbon usage, where published; publication of the SECR was currently a recommendation rather than a requirement. The key to the group's success had been the creation and drive of the Green Initiatives Group, under the strategic leadership of the Group Director of Marketing. He highlighted that the Corporation Chair regularly presented on environmental governance at Association of Colleges' events.

The Group Director of Marketing confirmed that the environmental agenda was a substantial recruitment driver and focus for the 16 to 18 cohort and that the group's green credentials were highlighted on social media and at open events. The marketing team was also considering ways to reduce the size of college prospectuses. The College Principal RCC highlighted the significance of funding from bp to promote clean energy and renewables to Redcar and Cleveland borough residents. A member also commented on the letter from Baroness Parminter to Foundation Skills students on the value of their engagement with the Environment and Climate Change Select Committee which had recently been shared with governors.

In response to a member's question about the timeframe for achieving Investors in the Environment Green standard, the Group Executive Director Planning and Infrastructure confirmed that this would be reviewed by the new Group Head of Estates once in post. [REDACTED]

Members **noted** the report and progress on the group's Environmental Strategy.

F22/22 Agenda Item 12 – Any Other Business

The Group Executive Director Finance commented that a recently received letter from the ESFA had confirmed that, due to an auto-grade error in their model, the ESFA Financial Health Grade for 2021-22 under the proposed new system had been corrected to Good, rather than the initially communicated Outstanding.

There were no additional items of other business.

F22/23 Agenda Item 13 – Date and Time of Next Meeting

Wednesday 22nd June 2022, 5.30 pm, SRC 301

F22/24 Agenda Item 14 – Approval of Documents for Inspection

It was **agreed** that the agenda for the current meeting be made available for public inspection; supporting papers for all agenda items were deemed commercial in confidence, with the exception of the reports for Agenda Items 3 and 13. Policies would be published on the website or in house Gateway as appropriate. Minutes of this meeting would be made available for public inspection following committee approval.

F22/25 Agenda Item 15 – Key Themes

The following items were identified as key themes:

- Consideration of Monthly Management Accounts (MMA6) to 31 January 2022 and budget monitoring reports
- Reports on student recruitment for the current year and 2022-23 and budget development and planning for 2022-23
- Very positive staff survey outcomes
- Capital programme review and expenditure evaluations for 2019-20, including impact on delivery of strategic objectives and a 'fit for purpose' estate
- Recommendation to Corporation regarding the purchase of agreed plots of land [REDACTED] and agreement of arrangements for contractor selection for capital projects at Redcar and Cleveland College and Bede
- Environmental strategy update including work towards achieving Green Investors in the Environment Standard and recognition of the group's certification of 'carbon neutral' for 2020-21

The meeting ended at 7.20 pm

Approved at a meeting held on 22nd June 2022