



WEST NOTTINGHAMSHIRE COLLEGE
FINANCE & ESTATES COMMITTEE

Minutes of the Finance & Estates Committee meeting held on Monday 28th November 2022 at 5.50pm

GOVERNORS PRESENT: Charles Heaton, Chair
 Jane Peacock
 Kate Truscott
 David Ainsworth
 Andrew Cropley, Principal/CEO

ALSO IN ATTENDANCE: Maxine Bagshaw, Director of Governance
 Gavin Peake, Director of IT, Estates & Learning Resources
 Jon Fearon, Finance Director

		ACTION by whom	DATE by when
1	<u>DECLARATIONS OF INTEREST</u> The chair reminded everyone present to declare any interests that they may have on matters to be discussed. No specific declarations were made and standing declarations were noted.		
2	<u>WELCOME, INTRODUCTIONS & APOLOGIES FOR ABSENCE</u> David Ainsworth was welcomed to his first meeting. No apologies were received, with all committee members present.		
3	<u>MINUTES OF THE MEETING HELD ON 11TH OCTOBER 2022</u> The minutes were reviewed and it was agreed that they were an accurate record of discussions. AGREED: to approve the minutes of the meeting held on 11 th October 2022. There were no matters arising.		
4	<u>ACTION PROGRESS REPORT</u>		

Signed : _____  _____ Chair

Date: 26/01/2023

The committee considered the document circulated in advance of the meeting, and an update was provided in relation to missing progress comments, including:

- Line 2 – contribution analysis – the finance director confirmed that the management accounts have been amended to incorporate the request and the waterfall has also been updated. He provided confirmation that a link is also being made to actions being taken where there are concerns.
- Bolsover District Council Green Skills Centre – there is nothing further to report.
- Line 4 – Towns Fund – outputs will continue to be monitored in 2022/23.
- Line 5 – apprenticeship provision – the committee all agreed that it was really useful to see the prior year’s comparison and the projections regarding potential income, which have been provided.

AGREED: to note the content of the update provided.

5 **BALANCED SCORECARD REPORTING**

The committee noted that:

- Detail in relation to finances is included within the monthly management accounts reported at agenda item 9
- Capital projects information is included within agenda item 6
- Carbon Reduction Strategy – a substantive report is to come to the next meeting.

Director IT
& Estates

26.1.23

The committee were asked to note that the RAG rating in relation to capital projects is currently at ‘amber’, and this is because the college is currently awaiting the phase 3 report. The expectation is that this will be received shortly and will be presented directly to the December board meeting.

Director IT
& Estates

15.12.22

AGREED: to note the content of the update provided.

6 **CAPITAL PROJECTS**

The director: IT, estates and learning resources provided an update on a number of aspects, including:

- 1) Chesterfield Road – key matters highlighted were:
 - To give context, the college planned a building up to RIBA stage 3 and was ready to go to planning; however, the stage 3 cost analysis showed a significant increase.
 - The design of the project had to be reviewed to bring it back within budget, namely a two-storey building rather than three-

Signed :  _____ Chair

Date: 26/01/2023

storey.

- The college is expecting to receive another phase 3 report in early December to review.
- The college has met with the ESFA and the local authority to discuss the project as 50% is to be funded by the ESFA and the other 50% through the Mansfield Towns Fund. The reason for the design review has been explained. The value is the same but with a reduced metre squared. This has been approved by funders, and the ESFA was particularly pleased to see that it has been possible to retain almost all of the original amount of teaching space planned.

2) Station Park – key matters highlighted were:

- The aim of the project is to add in 18,000m².
- There is ample space to be able to add in a second floor.
- Parking is also desperately required on the site.
- Plans have been drawn up so that costs can be assessed.
- The team now need to go back to RIBA stage 1.
- This will be a difficult project to manage as it will have to take place in phases as students cannot move out.
- A conservative time estimate for the project is Easter 2024.
- The college is looking to appoint contract managers and intends to use the NHS framework for this.

In general discussion, the committee were advised that, unfortunately, it had not been possible to put forward formal appointment recommendations in relation to contract managers for this meeting; therefore, the intention is to make a recommendation to the board. The committee were supportive of this but asked that an email update be provided first. A challenge from the committee was that, in the report to be provided, it is clear how the decision/recommendation has been reached, e.g. balance between price, quality, knowledge, etc. All agreed that it was important to be able to see the rationale for the appointment proposed and the criteria used to assess.

The committee asked what the position will be if there are further cost increases. In relation to Station Park, the committee were advised that redesigning, if required, will be much simpler than was the case for Chesterfield Road.

One governor asked whether catering is an issue at this site and whether or not this will be negatively impacted by the project. Staff indicated that the real issue at this site is the limited amount of social space available for students. This project ensures a large social area, and this has been combined with the catering offer. The committee were advised that student space is the priority for future developments.

Director IT
& Estates

Dec
2022

Signed :  _____ Chair

Date: 26/01/2023

- 3) Engineering Centre – key matters highlighted were:
- This project, if it proceeds, is to provide suitable space for motor vehicle students.
 - A bid has been submitted to the 16-18 Capacity Fund. This is on the basis that there is 15% demographic growth forecast.
 - The college is quietly optimistic in terms of the chances of success.
 - Whilst there is demographic growth in the short term, there will be a significant drop in 12 years' time.
 - The team have looked at a number of site options and a preferred option has been identified, which is between Station Park and Oddicraft Lane.

The committee considered likely funds available to the sector for investment, and all agreed that there was a two-year window of opportunity and then the expectation is that things will be very tough nationally.

AGREED: to note the content of the update provided.

7 ROOM OCCUPATION REPORT

The director: IT, estates and learning resources introduced this item and drew the committee's attention to the table provided. All agreed that it really does tell a story. Key matters highlighted were:

- In some areas, room usage is increasing significantly; examples given were construction and engineering.
- It is a different picture at Derby Road. One of the issues at Derby Road is that there are limited large spaces and, in prior years, it has been necessary to create larger spaces from a number of smaller rooms.
- Derby Road has the greatest potential for efficiency.
- Other sites are working almost at maximum capacity, and an example given was Chesterfield Road. One reason for this is that they have less specialist space.
- Some occupation statistics for specialist spaces are low. One of the reasons for this is that, when they are unoccupied, they can't be used for anything else – an example given was brickwork.

A challenge from the committee was to try to articulate the perceived optimum use for each area so that this gives some context for the figures provided. Staff advised that there were a number of variables in relation to this. One example given was that Chesterfield Road runs an almost equal offer over all five days of the week; however, this is not the same at Derby Road, which has much less teaching timetabled on Mondays and Fridays. A challenge from the committee was that, if it is not possible to provide the figures, it would be helpful to provide the

Signed : _____  _____ Chair Date: 26/01/2023

narrative and the explanation. It was agreed that this would be reported as part of the business improvement project which is about to start. The finance director advised that ESFA benchmarking information will be used to help to really analyse the college's position. It was agreed that an updating report following the BIP would be presented to this committee around about Easter 2023. All agreed that it is important that rooming isn't driving staffing so that maximum financial efficiency can be achieved.

FD /
Director IT
& Estates

April
2023

AGREED: to note the content of the update provided.

8 **HEALTH AND SAFETY ANNUAL REPORT FOR 2021/22**

The director: IT, estates and learning resources introduced this item, and key matters highlighted were:

- The report splits down the accident statistics to show college and non-college.
- Construction is an area to note. The committee were advised that Neil McDonald joined the internal health and safety committee meeting last week and was able to offer scrutiny and challenge. Numbers are comparable against prior years.
- In relation to near misses, there is a strong belief that these are being under-reported and, therefore, there will be a big campaign on this with students this academic year.
- The change in approach to the number of non-epileptic seizures has been successful.
- The number of self-harm incidents has increased and is concerning.

One governor asked whether there is growth in any particular type of self-harm. Staff advised that it is mainly cutting and provided assurance that this is not happening on site but is happening in the evenings and then individuals are attending college the following day and requiring first aid. It was confirmed that all such instances are reported to the safeguarding team. The CEO expressed the view that this is indicative of a 'storm brewing' in the sector, i.e. numbers are rising, issues are becoming more complex, and other agencies are giving less support. The college has had to appoint another member of staff to the safeguarding team to give capacity. The college is having to respond to huge demand. One governor asked whether there were any clusters evident. It was confirmed that there are in some particular areas, with these students seeming to be less resilient than in other areas. Staff advised that there was no correlation with the level of study; however, the majority of issues seem to be in a group of curriculum areas.

One governor commented that he was really pleased to see the plans in place for improving near miss reporting. It was agreed that David Ainsworth and the CEO would speak outside the meeting to look at the

CEO

Dec.
2022

Signed : _____  _____ Chair

Date: 26/01/2023

potential to share college and NHS resources.

- Non-college mental health issues have been separately reported, with 95% of these being self-harm.
- There has been one RIDDOR-reportable accident. The committee were given assurance that a full assessment has been completed.
- The team are now back on track post-COVID in relation to audits required. The estates audit has now been completed. It was explained that a lot of the actions identified as part of the audits relate to simply transferring information onto new paperwork.
- The audit in relation to motor vehicle is still outstanding. A challenge from the committee was in terms of what can be done whilst waiting for a new head of department to be appointed. Staff confirmed that they would review this with a view to getting as much done as possible.
- Good progress is being made in terms of COSHH assessments. Some things are outstanding but there is nothing of concern.
- The team also completes learner audits, part of which is a survey across the college. The team has followed up on any areas of concern identified by students.
- Significant progress has been made in relation to internal training, with IOSHH being particularly successful.
- Fire evacuations have taken place and have been very well organised with no concerns.
- In relation to workstation assessments, staff do often need to chase; however, the completion rate is as good as it has ever been. Nevertheless, it was acknowledged that there is always a little bit more to do.
- In relation to first aid, the medi-cards have worked extremely well. There is confidence that the college really knows the students. Students are also made aware of the importance of the medi-card at induction. The committee noted that there is one student outstanding in terms of provision of a medi-card. A challenge from the committee was to push hard to ensure this is collected as students often don't see the importance.

AGREED: to note the content of the annual report provided.

9 MONTHLY MANAGEMENT ACCOUNTS – OCTOBER 2022

The finance director introduced this item and key matters highlighted were:

- The position is marginally behind in relation to EBITDA, but this is not currently a concern.
- The main cause for this is underperformance of apprenticeship income.

Signed : _____  _____ Chair

Date: 26/01/2023

- 2021/22 unadjusted items have not yet been recognised. This will lead to an impact in relation to AEB but not apprentices. The net impact will be circa £180k.

In relation to apprenticeship target numbers, the committee asked whether it is possible to be clearer in terms of the income profile. The finance director advised that the current position was not planned at the beginning of the year and that it is as a result of reacting to capacity challenges caused by increased 16-18 numbers. Despite the challenges, the college is in a better position in 2022/23 than when compared with the same point in 2021/22. This is because of the high level of carryover. The committee were advised that there have been staff and estate capacity challenges, and the committee questioned whether there is perhaps more that can be done in the workplace at the start of the year, going forward. Whilst acknowledging this may be possible, all agreed that it was important to ensure a good quality start experience for all apprentices.

- There are three departments that are subject to review in terms of contribution analysis; however, it is still early in the year. The departments are:
 - motor vehicle
 - construction apprenticeships
 - childcare – there was poor recruitment into the early years programme, which has meant that there are smaller group sizes than the college would like. This is not proving to be an attractive course for school leavers and, therefore, needs to be reviewed. Early years and social care generally are not attractive careers, and it was acknowledged that they have had some ‘bad press’. The impending recession may mean some different choices are made by learners, e.g. a move away from jobs being available in retail and warehousing.

The committee asked whether it is possible to undertake in-year admissions, and it was confirmed that this is potentially possible for some areas but not all.

- The 12-month cash flow forecast is included. The FD advised of the intention to modify to December 2023 and that this will go as part of the going concern report to December’s board. It was agreed that this would be shared with the committee chair first.
- The financial health calculation is still good; however, the college is on the borderline because of the EBITDA position.
- Over 5% growth in student numbers this year will lead to a significant revenue increase in 2023/24.
- The level of cash does get low at points, and the college has

FD

Dec.
2022

Signed :  _____ Chair

Date: 26/01/2023

had dialogue with the ESFA in relation to this. In-year growth funding would really help.

AGREED: to note the content of the management accounts provided.

10 **NOVEMBER PAY REPORT**

The finance director indicated that the pay report has not yet been run, and he explained that this is because figures are currently looking too positive. There is a concern that not all agency costs have been included, and this is being reviewed. He advised that the college has been able to renegotiate some agency rates which is a positive.

The committee asked what the likelihood is of receiving in-year growth funding. Staff advised that the college has passed the qualification criteria. The ESFA has confirmed this and has indicated that there may be some growth funding, but this is subject to affordability and the ESFA is intending to review. All acknowledged that in-year growth funding would change the numbers positively and that anything received would be a help. It was noted that an extra £300k would improve the EBITDA position by 1%. In terms of timescales, if the college is going to receive it, confirmation would likely be in January and receipt of funds in March 2023.

AGREED: to note the content of the update provided.

11 **ESFA LETTER RE CFFR 2022-2024**

The committee were happy to note the content of the report and the rating of 'good'. All agreed that the benchmarking information provided was helpful.

AGREED: to note the content of the letter received.

12 **RISK REPORT**

The finance director drew the committee's attention to the written report and key matters highlighted were:

- Cash is a focus.
- The minimum wage increase in April 2023 will close the gap between a number of lower bands. The college will need to look at this as soon as ESFA indicative allocations are received, with a potential to make an early August increase. It was agreed that a report on this would be presented to the meeting scheduled for 27th April. He indicated that it is just the lowest two bands which need to be considered, with a view to bringing back the differentials.
- Costs of agency staff.

Finance
Director

27.4.23

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Date: 26/01/2023

- Cyber-attacks – the college plans to close down a lot of systems over Christmas, but not as many as it would like. The committee were reminded that the IT team does back up on tape as well as on the Cloud.

AGREED: to note the content of the update provided.

13 **RECONCILIATION OF THE FINANCIAL STATEMENTS AND JULY 2022 FINANCE REPORT**

The committee were happy to note the information provided and the fact that there were no significant changes. All agreed that it was a really useful document and noted that it tends to be the same items that are highlighted year to year.

AGREED: to note the content of the update provided.

14 **SUBCONTRACTING REPORT**

The committee were happy to note the content of the yearend report for 2021/22. In relation to 2022/23, a number of matters were highlighted, including:

- The position at this point in the year is quiet, which is quite unusual.
- The college is closely monitoring White Rose following their purchase by Learning Curve. Staff don't know whether they are currently focusing on spending their own allocations, and this is being monitored regularly. The committee asked when the 'tipping point' is to make a decision regarding a reduction in allocation. The finance director confirmed that a review will be undertaken at the end of January 2023 and that there is potential to take back some activity in-house. All agreed that, potentially, this was a good opportunity to reduce the level of subcontracting.
- The college has stopped subcontracting with Trackwork and is setting up its own centre to directly deliver.
- There is an opportunity in the locality to work with a CIMSPA partner in relation to creative sport and leisure. They have a traineeship offer, which is not something the college has. They are considered to be a good provider and a sector leader in terms of quality in this area. In terms of outcomes, 60-65% go on to employment. The intention is to run a pilot with a value of £45k.

The committee's attention was then drawn to the update provided regarding due diligence requirements this year, which have changed. The college will have to complete a declaration which has 188 questions on it. This is something that will be shared at the May 2023

Finance
Director

May
2023

Signed : _____  _____ Chair

Date: 26/01/2023

Audit Committee meeting.

Staff confirmed that there were no proposed changes to 2022/23 allocations for this meeting.

AGREED to note the content of the update provided.

15 CONTRACTS

The finance director presented this report and outlined the proposed contract increases with partners. He explained that these were a large contributing factor to strong performance on AEB, with these organisations giving the college a good start to the year.

AGREED:

- a) To note the content of the update provided
- b) To recommend that the board approve the contract increases proposed for:
 - a) Stainsby Education Solutions
 - b) FMBS
 - c) Maclav

16 NTU PARTNERSHIP FINANCIAL REPORT

The committee considered the report, and key matters highlighted were:

- Contractual arrangements are now generating some significant income.
- £621k is anticipated in 2022/23.
- Year 1 income was £298k.
- The forecast for 2023/24 is £825k.
- Service charges have always included CPI.
- The rent review is planned at year 5 and will increase.
- The college is in discussion regarding additional space of circa 105m² – if agreed, this would increase the rental income.
- NTU currently owes the college £270k, and there has been a contractual dispute in relation to this. This has necessitated obtaining legal advice and NTU are proposing that this be shared on a 50/50 basis. The committee were happy to agree to this to move matters on.

One governor asked whether there are IT course development opportunities with NTU. The CEO confirmed that there are and that this is something which he tries to push forward regularly.

AGREED: to note the content of the update provided.

Signed :  _____ Chair

Date: 26/01/2023

17 **ANNUAL REVIEW OF FINANCIAL REGULATIONS AND PROCEDURES**

The finance director expressed the view that there was currently no need to make any changes and, therefore, no proposals to be presented to this meeting. The intention is to hold for one more year but, if inflationary pressures have a significant impact, they will be brought back. The committee noted that a prior suggestion was an increase in the authority limit for the director: IT, estates and learning resources. It was agreed that this would come back to the next meeting as a formal proposal.

Finance
Director

January
2023

AGREED: to note the content of the update provided.

18 **AOB**

There were no items of additional business.

19 **DATE AND TIME OF NEXT MEETING**

This was confirmed as Thursday 26th January 2023 at 5.30pm.

20 **CONFIDENTIAL ITEMS**

It was agreed that confidential items would be recorded on a separate basis.

Meeting closed at 7.20pm.

Signed : _____  _____ Chair

Date: 26/01/2023