



CALLYWITH COLLEGE TRUST

Minutes of a meeting of the Finance, Employment and Audit Committee held on 15 March 2022 at Callywith College

Trustees Present: Mr J Burnett, Dr C Gray, Dr J Grey (Principal), Mr P Reed (Chair), Mrs T Roose and Mr D Walrond

In Attendance: Ms R Loom (Business Manager) and Mrs A Winter (Clerk to the Trustees)

Apologies: Mr T Woodley

Item	Discussion/Decision	Action
22/01	<p>Declarations of Interest</p> <p>Trustees were reminded of the requirement to disclose any potential interests and to withdraw from the meeting if a matter under consideration could give rise to a conflict of interest.</p> <p>No new interests were declared.</p>	
22/02	<p>Minutes</p> <p>The Minutes of the meeting held on 30 November 2021 were APPROVED as a correct record.</p>	
22/03	<p>Matters Arising</p> <p>03.01 Truro and Penwith College (TPC) Skills Centre (Minute 21/52)</p> <p>Trustees noted that work on Ottery had ceased when main contractor, Midas, went into administration in February but work was recommencing to make the building watertight before a re-tendering process. The completion of the TPC Skills Centre would be delayed until spring 2023.</p> <p>03.02 Home to College Transport (Minute 21/5202)</p> <p>The Principal summarised the latest position regarding bus services for 2022/23 and the implications of the end to the government's Covid Bus Services Support Grant. The Committee noted that Plymouth Citybus needed to make considerable financial savings which were likely to result in changes to current provision. The Council was also reviewing services. An analysis of applicant postcodes to forecast transport needs suggested two additional buses would be required at a cost of £55k each. The College was monitoring developments and exploring options.</p> <p>In response to questions, Trustees noted that the College's agreement with Plymouth Citybus included a 3% increase in charges for 2022/23. The phased increase in the College's allocation of Learner Support Funds would not be fully implemented until 2024/25. In the meantime, transport subsidy would remain a significant area of expenditure.</p>	

	<p>03.03 Cyber Security Review (Minute 21/52.04)</p> <p>The Principal reported that the external cyber security review conducted by TPC in 2021 was highly technical. A summary of the key outcomes had been requested.</p> <p>Cyber security insurance would be added to the DfE's Risk Protection Arrangements (RPA) for academies from April 2022, if specified conditions were met. Further detail was awaited.</p> <p>03.04 Risk Register (Minute 21/57)</p> <p>The Committee noted an emerging risk associated with the government's levelling up strategy which announced opportunities for the creation of new 'elite sixth forms' in fifty-five Education Investment Areas which included Cornwall. The implications and details of the policy were being monitored.</p> <p>03.05 HR Update (Minute 21/58)</p> <p>In response to questions, the Principal summarised the ways in which workload pressures associated with higher student support needs were being addressed (raised at the Board Strategy Day).</p>	
22/04	<p>College Capacity and Kilmar 2</p> <p>This confidential item is separately minuted</p>	
22/05	<p>Management Accounts and Mid-Year Budget Review 2021/22</p> <p>The Committee reviewed the management accounts for the first five months of the financial year to 31 January 2022 and the proposed adjustments to the budget.</p> <p>Trustees noted that in-year clawback of £163k was expected due to actual enrolments of 1192 at the 42day census date compared to an initial funding allocation based on 1228 learners.</p> <p>The variations from the original income and expenditure were reviewed and explained. Changes included a decline in bus income (with around 30% of students qualifying for a free bus pass), an increase in the National Minimum Wage as well as reduced Element 3 funding from the local authority to support high needs students. After taking account of the expected ESFA clawback and a small saving on costs, the reforecast budget showed a close to breakeven budget and a very small end of year surplus of £13k.</p> <p>During discussion the Committee noted the College was still negotiating with Devon County Council regarding Element 3 funding for three students from Devon. As 3 year fixed price contracts for gas and electricity had recently been agreed, it was hoped that big increases in utility prices had been avoided. Changes to National Insurance employer contributions would be offset by a new School Supplemental Fund.</p> <p>The Committee also debated the likely cashflow position in 2022/23. Lagged funding based on student numbers in 2021/22 would create cashflow difficulties early in the year until an uplift was paid in February 2023 to reflect actual enrolments. In addition, staff recruitment and retention was a growing challenge due to increasing disparity with pay in schools and other sectors.</p>	<p>Recommendation for Board</p>

	<p>Teaching unions were seeking a pay increase of 8.2% for next year although the School Teachers' Review Body (STRB) was likely to recommend around 3% overall with greater rises at the lower end of the pay scale. The DfE had also pledged a £30k starting salary for teachers from 2023/24 which would be extremely difficult for colleges to match.</p> <p>Following discussion, the Committee agreed to RECOMMEND to the Board approval of the reforecast budget for 2021/22.</p>	
22/06	<p>Cashflow Projections</p> <p>The Committee considered the cashflow forecast to July 2023 which was based on ESFA funding for 1228 students in 2021/22, 1280 in 2022/23 and 1310 in 2023/24. The reforecast budget would be incorporated into the cashflow following approval by the Board.</p>	
	<p>Trustees NOTED that projections for the next two years remained healthy, maintaining well over the recommended 45 cash days, confirming the College was in a sound financial position.</p>	
22/07	<p>Review of Performance Indicators and Objectives for 2021/22</p> <p>The Committee considered an update on the achievement of the financial objectives and performance against the agreed indicators.</p> <p>Trustees discussed the reserves target which had been reduced to 8% on the advice of the auditors and in line with ESFA recommendations to spend funding in year. Trustees agreed that building reserves enabled the College to be responsive to new opportunities, to grow and re-invest in facilities. A retained surplus of more than 8% was therefore justified.</p> <p>Staffing costs as a percentage of total College income remained slightly above target which was, in part, due to the pandemic and to comply with Covid safety measures.</p> <p>Trustees were pleased to note the progress against the agreed objectives which indicated a very positive position.</p>	
22/08	<p>Internal Audit Planning Document 2021/22</p> <p>The Committee noted the reviews of Core Financial Controls (payments and payroll) and Governance (operation of Board and Committees) being undertaken this year. Documentation and information had been supplied to the auditor and the report was expected shortly.</p>	
22/09	<p>Kreston Academies Benchmark Report 2022 – key points</p> <p>The Committee considered the Kreston Academies Benchmark Report for 2022 based on data from over 300 academy trusts. Trustees noted that very few academies were 16-19 institutions or directly comparable to Callywith College but the report provided useful context.</p> <p>The Committee noted with interest the common priorities for boards and financial data which highlighted the differences in funding rates and pay across primary, secondary and post-16 sectors.</p>	

22/10	<p>Workforce Analysis 2020/21</p> <p>The Committee discussed an overview of staff numbers, gender, age profile, turnover and absences during 2020/21. The total number of employees had risen to 157 but turnover and absences generally remained low, an indication of positive morale and commitment.</p> <p>Turnover was highest among lower paid staff, including cleaners and learning support assistants, which was largely due to the current job market and higher pay rates in retail and hospitality roles. Trustees noted that it was becoming increasingly challenging to fill these posts.</p> <p>Covid-related issues accounted for 5% of absences and contributed to an increase in dependents leave as well as a rise in absences due to psychiatric issues which was consistent with the national picture.</p> <p>The Principal indicated that opportunities to enable staff to work more flexibly or reduce hours were being considered.</p>	
22/11	<p>Staff Wellbeing</p> <p>The Principal summarised the current arrangements for supporting staff and in response to questions, the Committee NOTED that:</p> <ul style="list-style-type: none"> • the Health, Wellbeing and Sport (HWS) programme was being extended to include additional craft and leisure activities • staff had welcomed the provision of counselling services as well as small gestures such as the free porridge bar and fruit in staff rooms • a staff wellbeing survey would be conducted next term • staff were under additional pressures, particularly as new students had missed significant periods of education and were less well prepared for college life • staff felt undervalued by the system and were feeling the impact of the cost of living rise and housing difficulties • despite the challenges, staff morale generally remained positive. 	
22/12	<p>Recovery Funding/Additional Delivery 2022/23</p> <p>The Principal reported that proposals for the additional 40 hours/year had been discussed with staff and the key priorities were to increase course delivery time, provide more contact time with lecturers and strengthen the focus on Maths/English. Some new pastoral support roles (to carry out pastoral tutorial duties, attendance monitoring, early intervention and triage support needs) would be established to enable lecturers to devote more time to teaching and reduce specific pressure on student services.</p> <p>During discussion Trustees emphasised the importance of maintaining close links between supporting academic progress and pastoral support. The Committee also suggested that there needed to be certainty about the ongoing funding for the extra 40 hours before making permanent changes to structures and roles.</p>	JG to note

22/13	<p>Premises Matters and Proposed Summer Works</p> <p>The Principal reported that ongoing redecoration and maintenance to maintain the whole campus at a high standard would continue and capital bids had been invited from departments. Some further minor works were being planned on the basis of curriculum needs and student recruitment trends.</p> <p>Trustees asked about IT provision and noted that 100 additional workstations had been added to Learning Resource Centres last year and with the allocation of DfE laptops during the pandemic, IT requirements were being met.</p>	
22/14	<p>Dates of Meetings in 2022/23</p> <p>Trustees NOTED the dates of meetings as follows: 29 November 2022, 21 March 2023 and 13 June 2023</p>	ALL to note
22/15	<p>Date of Next Meeting</p> <p>The Committee would next meet at 3.30pm on Tues 14 June 2022.</p>	ALL to note