

FINANCE AND HUMAN RESOURCES COMMITTEE MEETING

minutes

Date	6 October 2015	Time	14.00
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Venue	Station Plaza Boardroom
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Chair	Pat Farmer
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Membership:

Pat Farmer (Chair); Sue Walton (Vice Chair); Tony Campbell OBE KSG FRSA; Paul Evans; Ken Melsom MBE JP; Principal (Clive Cooke)

Apologies: Pat Farmer (Chair)the Vice Chair Sue Walton chaired the meeting; Paul Evans

Lead officers: VP Corporate Services (Biram Desai);
In attendance: VP EES (Dan Shelley); Head of HR (Mel Price)

	Item	Action
1.	Apologies Apologies were received from Pat Farmer and Paul Evans	
2.	Declarations of interest Ken Melsom declared his directorship of Hastings Plaza Trading Ltd. Sue Walton declared she was an employee of Pestalozzi.	
3.	Minutes of the last meeting held on Wednesday 8 June 2016 RESOLVED: The minutes of the meeting were approved as a true and accurate record.	
4.	Matters arising on the minutes The Chair asked the Committee to consider whether it needed to discuss success rates alongside CQS in the context of the College's ability to generate income through funding and learner numbers. SLT reported that the November CQS Committee, the SAR validation process and the revised KPI dashboard for 2016-17 were all focused on learner outcomes. The Chair of Corporation reported that today's CQS informal meeting had identified areas of concern around teaching staff and resource. The College is proposing an in year spend on these immediate requirements for training and personnel which has not been included in budget 2016-17. He noted that this does relate strongly to F&HR. The Chair updated the Committee on the work of the Student Focus group which is looking at how to re-engage with the students. There is a lot of work that is going to fall on the SU President who will need support. The group will be bringing forward some questions around financing of the SU and what has happened in relation to sales of some of the SU cards and the VP CS noted he was happy to	



	<p>help with this. The Committee questioned what support is available for the Student President and the Principal reported that the Quality Manager is working with both the Student President and the Student Union. Currently the Student President and SU have no designated space in the College and needs to be addressed. The Chair noted that there is pressure on all staff at the moment. It had been hoped that the course representatives would be identified and getting the SU messages out and students engaged by this point in the year. However the Quality Manager is struggling to appoint course representatives. The Principal reported that additional funds to support the Quality Manager are being looked at in year and he is confident this will be in place shortly.</p> <p>Planned maintenance – the VP CS reported that a simple but effective system of recording planned maintenance is now in place at the College.</p>	SLT
5.	<p>Review of Capital and ICT Strategy The VP CS reported that the March 2017 Committee will receive the ICT dashboard. Good progress is being made in ICT with a local IT consultant working alongside the ICT Manager. The JANET link has been upgraded to 2GB which is of great benefit to staff and students. There has been a significant increase in the use of Turing with 110 courses now having linked Turing pages. This year to date has seen more Turing activity than the whole of 2015-16. A designated staff member is working 4 days a week on the VLE. The Committee noted that there were no red items on the dashboard.</p> <p>Capital strategy – the EF capital investment is on hold as EF are undergoing a review of their business and capital investment. They are still renting the College during the summer period. The Committee queried when they aim to review and the VP CS confirmed there is no review date at the moment.</p> <p>Health and safety and security - additional security guards are in place at Station Plaza. The Committee asked for more information on the decision not to introduce turnstiles at Station Plaza. The VP CS reported that a capital bid for turnstiles had been put in due to increasing concerns about security. The College is successfully managing with additional security guards at the moment. Lanyard wearing has been enforced more rigorously and it is easier to identify students/staff. The revolving doors have also proved to be an effective security measure. The Committee asked that it remains a watching brief to improve security at all sites year on year. The Chair reminded the Committee that in student surveys a strong positive for the College is that students comment that they feel safe in the College.</p>	
Performance Update		
6.	<p>Key Performance Indicators relating to Finance and HR – Update The VP CS reported that he was pleased with the financial performance for 2015-16 and noted the following:</p> <ul style="list-style-type: none"> • Total income was ahead of budget as was operating surplus • Staff costs are low at 64% (61.6% without catering costs) as a percentage of income. The FE Commission has set a target of below 65% for colleges • A lot of work has gone into funding and the College has delivered on key recurrent funding streams • The bank balance is ahead of where the College wanted it to be 	



	<p>The Head of HR reported as follows:</p> <ul style="list-style-type: none"> • Sickness leave is 5.3%. The HR team are doing a lot of work on sickness management, with workshops and training for staff. There may be some under reporting but this is being addressed. The Head of HR noted that in six month time reporting will be very accurate • 8.2% staff turnover is slightly high. A lot of ending of fixed term contracts has taken place and the increase is due to this rather than voluntary leavers or redundancies • The Head of Quality is managing complaints and the Committee noted that the number of complaints this year to date is low <p>The Committee noted that the financial performance of the College is excellent and they congratulated the VP CS and his team and the VP EES and his team for the financial management, reporting and sourcing income streams.</p> <p>The Committee considered the KPI objective targets reviewed by CQS and discussed at what point F&HR's focus should move more closely to issues like results and enrolment. The Principal suggested that the CQS Committee unpick the results at their meeting in November. He noted that there are issues in a small number of areas but the impact is measurable. Following the CQS Committee a report on the financial implications of in year costs or earnings will come to the F&HR Committee.</p> <p>The Chair of Corporation reported that the CQS informal group will meet after the PPRs and both will be reported to the full CQS Committee and the Corporation.</p> <p>The Committee agreed that there are three areas which impact on finance:</p> <ul style="list-style-type: none"> • Investing more money to drive standards up through personnel and support • Not receiving as much income due to the impact of poor results • Efficiencies to achieve the same results <p>The summary paper from CQS will address the issues and include details of any in year expenditure needed.</p> <p>The Committee noted the relevant items on the KPI dashboard and made no further comments.</p>	SLT										
7.	<p>Enrolment Update Key figures are as follows: EFA 16-18 allocation totals 1,923 students as shown in the following table -</p> <table border="1" data-bbox="245 1767 1270 1962"> <thead> <tr> <th>Category</th> <th>No. of students</th> </tr> </thead> <tbody> <tr> <td>Full time student number target (mainly college)</td> <td>1,609</td> </tr> <tr> <td>Part time student number target (mainly subcontract)</td> <td>314</td> </tr> <tr> <td>Total allocation</td> <td>1,923</td> </tr> </tbody> </table> <p>The College's focus to date has been to primarily concentrate on full time 16-18 enrolments. Enrolments as of 26th September are shown in the following table -</p> <table border="1" data-bbox="245 2107 1270 2148"> <thead> <tr> <th>Enrolment summary at 15th September</th> <th>No. of students</th> </tr> </thead> </table>	Category	No. of students	Full time student number target (mainly college)	1,609	Part time student number target (mainly subcontract)	314	Total allocation	1,923	Enrolment summary at 15th September	No. of students	
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Total allocation	1,923											
Enrolment summary at 15th September	No. of students											



Full time student numbers actually enrolled	1781
Full time student number target	1,609
Favourable variance	172

This shows that the college is currently 10.6% or 172 students above the post Right Choice target. Focus will continue on the management of the Right Choice period, where students can move courses and/or levels within the first 6 weeks. There remain excellent opportunities for students to move to Pathways and related provision as appropriate.

19+ Adult Education Budget – early enrolments are encouraging, further work is needed to assess how much funding these students earn, and additional starts are planned throughout the year. This funding stream combines two previous funds: Classroom Adult Skills Budget (ASB) and Community Learning.

HE – Applications are in line with targets and enrolment began on Monday 26th September with numbers holding, which is positive in an HE market that is increasingly competitive.

Apprenticeships – enrolments are better than at this time last year with 130 apprentices being signed up throughout the August-September period and a further 45 vacancies are currently on the national system.

The Committee considered the enrolment update and the following points were raised:

- The increased risk of the demographic over next few years with a decline in 16-18 numbers
- School liaison and marketing has been very successful this year leading to excellent enrolment numbers
- The Committee questioned whether enrolment was the right mix in terms of areas and income. The VP EES reported that 16-18 classroom activity has increased by 60 (35%); in A level there are about 380 students; 20% of all 16-18 enrolments are A levels. Vocational has remained the same with increases in Construction and Art and Design and decreases in Hair and Beauty.
- The VP CS noted that the College continues to enrol and welcomes everyone
- The Committee questioned types of provision. The VP EES noted that the College has increased the range of provision. Pathways has grown from 17 up to 120 this year and is meeting the needs of the community.
- The Committee questioned the different levels of funding. The VP EES reported that 16-18 provision is all worth the same. High needs can be up to £12000 to spend on individual needs. This provision has grown at the College as it offers 5 days a week provision unlike many other colleges who offer part time provision. The VP EES confirmed that high needs students are travelling from much further afield to access the College.
- 16-18 numbers are robust with the majority of areas remaining the same or growing. There are a small number of areas under profile
- 16-18 apprenticeships are ahead of profile
- The Principal reported that the SLT are undertaking further work to compare data to see if the College is losing its market share or if students are moving to a different product within the College



	<ul style="list-style-type: none"> The College is the only one in Sussex to hit its HE target <p>The Committee congratulated the team on an excellent result. They suggested adding a sentence in the report to highlight the demographic decline in 16-18s.</p>	
8.	<p>Acquire update The VP EES reported as follows:</p> <ul style="list-style-type: none"> 2015-16 performance was good, turnover was £779k and the College was pleased with results in first full year There is a benefit of carry in of £190k for 2016-17 from existing students SLT has been working with Acquire on a new model. Acquire are looking to move to a pure commission/sales basis. It has taken a while to re-negotiate contracts which have just commenced Enrolments have taken a break while negotiations were underway and no enrolment took place in September. The first course started this week and is looking at 50 new starts and subsequently 50 per month which would maintain a budgetary level for 2016-17 The VP EES and VP CS confirmed they were confident that the bottom line is protected. There is a PPR for quarter 1 and quarter 2 to look at the detail and there are mitigations in place. Quarter 2 will look at whether Acquire is a going concern and outcomes will come forward to F&HR to look at SLT noted that e learning is the future so it needs to be considered for apprenticeships and diploma delivery Risks will continue to be looked at as part of the risk register The Principal reiterated that the low enrolments were due to hard negotiating on the contract with Acquire and at the moment he is receiving full assurances that the College will hit its targets and there is no reason at the present time to be concerned The VP CS and VP EES are meeting fortnightly to monitor Acquire. 	
9.	<p>Human Resources report The Head of HR updated the Committee as follows:</p> <ul style="list-style-type: none"> The Employee Forum now has two reps in place. Its role is not a negotiating one but they will be fully involved in trade union meetings and college meetings. To date one of the reps has been working closely with the Estates team which has been a great help to have new people working with staff The HR team have reviewed and updated the HR strategy which has been approved at SLT. There are 3 main streams to the strategy: <ol style="list-style-type: none"> 1. Work force modernisation, looking at terms and conditions and pay scales. Pay harmonisation has already been carried out and career families built. Job evaluations will be fully rolled out in 6 months. There is a lot of work to be done and good progress has been achieved to date. 2. Collective and individual performance, looking at current performance management systems, reviewing the process and timelines to make a robust and simpler system. The HR team are running workshops, producing guidelines and providing mandatory and non mandatory CPD for staff. This is a two year project. 3. Talent and recruiting, working on the College's brand. The focus at the moment is maths and science and campaigns have already been run at Ore 	



Valley.

- The Committee questioned what career families are and the Head of HR explained that the College has moved to one pay spine with career families in Business Support, Learning Support, Teaching and Management. These have been built already and will be tightened up once job evaluations are completed.
- The Committee asked about **objective setting and performance** and whether staff are being encouraged to come up with their own objectives. The Head of HR confirmed that they were and HR is running workshops for staff and managers. Guidance is a recommendation and staff are being encouraged to take ownership of their own performance as part of their development.
- **Staff survey** – the results from the pilot survey with around 52 other colleges is available. There is little analysis to date and no benchmarking data. There are some positive responses around roles, training and development, accessing information and understanding of roles. Communication is rated poorly and there are some conflicting messages from the survey which the HR department are looking to do some further deep analysis. Job security is another area and the Committee agreed this is a concern for staff with the changes and redundancies over the last few years. The results will go forward to the Employee Forum for further work with staff working groups, and for them to pass recommendations to management this should allow more engagement with staff
- **Local pay and conditions** - UCU launched a nationwide campaign. They negotiate every year with the AoC and agree a nominal amount which is then up to each individual college based on affordability. Agreement will negate a strike on pay and conditions. At the present time there are not many union members to cause significant disruption to the College. The Head of HR noted that it is helpful to negotiate in discussions. To date UCU have put in a nationwide claim which has been discarded. Negotiations started in June and are on going. (see full report for details) The College has only agreed two pay awards over the last eight years, although it has continued to pay increments, which, for individuals currently at the top of their pay scale, is effectively a pay cut and an unfair system for staff.

The lecturing pay scale band b, c and d had a glass ceiling which has been removed to allow staff to progress up the scale. The College is looking at band b which is in place for unqualified teaching staff and has agreed that it might be able to remove the first point from that band.

The Committee was asked to consider and recommend to approve two HR policies as follows:

Staff Disciplinary Policy

The Head of HR reported that the policy follows ACAS code of practice and has been revised from 23 to 10 pages. Guidance has been taken out and tool kits provided on the intranet instead. The Chair of the Committee proposed the following updates:

3.2 – that an investigation is to be conducted

3.6 – a member of the management team to be defined in the policy

5.3 – correct formatting

7.5 – to read placed

7.10 – take out or



	<p>The College has finalised the year end statutory accounts under FRS102 and the auditors start work on Monday.</p> <p>The College has received the East Sussex LGPS Pension report with associated accounting impacts as noted below –</p> <ul style="list-style-type: none"> - Balance sheet share of LGPS deficit increases from £7.6m at July 2015 to £8.9m at July 2016. Business planning will take into account any changes later this year - I&E charge for pensions totals £542k so statutory accounts surplus will be significantly reduced (other FRS102 adjustments will also apply) <p>In addition, College net assets are likely to be approximately £1.0m at July 2015 following pensions and FRS102 adjustments.</p> <p>The Committee noted that there is not a lot of room in the budget and the College will need to look closely at the implications of all other areas with a financial impact. The Principal reported that last year had some difficult periods and the VP EES and his team worked hard to compensate for any shortfalls. He noted that many colleges in the sector are not showing any surplus.</p>	
11.	<p>Bank Overdraft Limit</p> <p>The VP CS noted that in discussion with Barclays they have requested a further £250k reduction to the facility so that the new level would be £1.25m. This is in line with required progress to generate sustainable cash balances in the business and reduce credit risk.</p> <p>The College has an excellent relationship with Barclays and has delivered to date on all requirements. The bank overdraft facility was set at £2m during 2013-14, and this was subsequently reduced to £1.75m in April 2015 and furthermore to £1.5m in October 2015.</p> <p>The VP CS's recommendation is to accept the request.</p> <p>The Committee noted that the cash flow just about allows for the reduction. The Chair noted that Barclays are very nervous about the sector. As the reduction is affordable this time round she suggested agreeing the VP CS's recommendation. There may be a pinch point in March/April 2017 which the Committee will need to monitor closely. RESOLVED: The Committee approved the request from Barclays to reduce the College overdraft to £1.25m (a £250k reduction). APPROVED</p>	
12.	<p>Senior Post Holder and Governor expenses for 2015-16</p> <p>The Committee considered the report and noted that expenses were appropriate.</p>	
13.	<p>Financial Regulations (annual review)</p> <p>The VP CS reported that the Financial Regulations helps with the management of the College and all members of staff are required to abide by them. He confirmed that there have been no breaches of the Financial Regulations in 2015-16.</p> <p>The Committee considered the updates and with the exception of including an independent governor rather than a member of staff to open tenders in the absence of the Clerk all changes were recommended for approval.</p> <p>RESOLVED: The Committee recommended to approve the updated Financial Regulations. APPROVED</p>	VP CS

Accommodation and Estates, Health and Safety and Risk Management		
14.	<p>Accommodation and Estates report The VP CS reported that substantial work had taken place over the summer including:</p> <ul style="list-style-type: none"> • Reconfiguring a room at Station Plaza to accommodate the Springboard groups • Converting underutilised classroom space at Ore Valley for Pathways learners • Work at the Construction Industry Training Centre to accommodate an increase in plumbing apprentices. The VP CS welcomed governors to visit the improved space at CITC <p>The Committee passed on their thanks to the Head of Facilities and his team for their work.</p> <p>The VP CS reported that in order to support the commercial work at the College in a more effective way the College was undergoing a restructure of the Estates Team.</p> <p>The Chair noted that the SU doesn't have any space and the Quality Manager has some ideas of how to resolve.</p>	Clerk Quality Manager
15.	<p>Health and Safety report The VP CS noted that a successful H&S Committee had taken place on the 20 September and there were no RIDDOR incidents to report. The Committee asked that when the H&S link governor is not available to attend meetings a substitute governor attends to ensure the Corporation are fully informed. The Clerk agreed to organise.</p> <p>The Committee noted the report and the accident statistics report and agreed there were no areas of concern(see full report for details)</p> <p>Health and Safety Policy The VP CS confirmed that there is one substantive change in the policy to ensure that all new staff have access to the H&S policy. The Committee asked how this will happen and the Head of HR confirmed that all new staff will receive a hard copy at induction which they will be required to sign for.</p> <p>RESOLVED: The Committee recommended to approve the updated Health and Safety Policy. APPROVED</p>	Clerk
16.	<p>Risk Management - Risk Update and Strategic Risk Register: The VP EES reminded the Committee that the register focused on managing risk in the organisation. Last year it had been agreed that each committee would review its own risks and receive updates as a standing item on its agendas.</p> <p>The Committee reviewed the register of risks for F&HR and agreed with the risks with the following comments and amendments:</p> <ul style="list-style-type: none"> • The overdraft limit was discussed and whether the risk should be increased and the VP CS noted that he was confident to leave as it was • Acquire- is being maintained at gross and net level and will be reported at every Committee meeting • The Principal asked the Chair of Corporation for his views on the new risk around SLT's increased time loads during the work with Sussex Downs 	

	<p>College. The Chair of Corporation reported that the work will be on going for the next few years and agreed that it is a key risk to include</p> <ul style="list-style-type: none"> • The VP EES reported on the consultation at the end of summer which looks at the way subcontracting takes place. If plans do come to fruition subcontracting as it is now will end in March 2017. SLT confirmed that a plan B is in place and meetings are taking place looking at a partnership approach and joint venture. The VP EES noted that a lot of lobbying has taken place around the proposed changes • The Chair reported on the upcoming consultations around international students. The focus has been on university students to date but she explained that the consequences for all international students will be much more wide reaching. The government is looking very closely at what students are coming in and what institutions are taking international students. The Committee asked the risk to be upgraded and the VP EES agreed to upgrade to 16 as an imminent risk and bring the risk to the next meeting. 	VP EES
17.	<p>AOB The Principal asked the Committee is the VP Curriculum could attend and observe on F&HR as part of his CPD and the Committee confirmed they would be delighted to welcome him.</p>	Clerk
	<p>MEETING CLOSED: 15.50</p>	
	<p>Meeting dates for 2015-16 Wed 23 November 2016; Wednesday 1 March 2017; Wednesday 3 May 2017; Wednesday 7 June 2017 (all 14.00 start)</p>	

Attendance for 2016-17: 67%

Length of meeting: 1hr 50mins