

FINANCE AND HUMAN RESOURCES COMMITTEE MEETING

Minutes

Date	4 May 2016	Time	15.00
Venue	Ore Valley Boardroom		
Chair	Ken Melsom MBE JP		
Membership:	Ken Melsom MBE JP (Chair); Sue Walton (Vice Chair); Tony Campbell OBE KSG FRSA; Principal (Clive Cooke); Paul Evans; Pat Farmer; Sue Walton		
Apologies:	Sue Walton; Principal (Clive Cooke); VP EES (Dan Shelley)		
Lead officers:	VP CS (Biram Desai); Head of HR (Melanie Price)		
In attendance:	VP EES (Dan Shelley); Student Governor (Lawrence Calton)		

	Item	Action
1.	<p>Apologies Apologies were received from the Principal (Clive Cooke), the VP EES (Dan Shelley) and the Student Governor (Lawrence Calton) Various comments made to the committee chairman in an e mail from Sue Walton were fed into the meeting at appropriate times.</p>	
2.	<p>Declarations of interest Ken Melsom declared his directorship of Hastings Plaza Trading Ltd. Pat Farmer declared his interest as a member of the Hastings and Rother Task Force.</p>	
3.	<p>Minutes of the last meeting held on 2 March 2016 The minutes were considered and one amendment was requested under the approval for item 10. RESOLVED: The Committee approved the minutes of the meeting held on the 2 March 2016 subject to the amendment above. Proposed: TC; Seconded: PE; CARRIED</p>	
4.	<p>Matters arising on the minutes The action list was noted and the following points were made:</p> <ul style="list-style-type: none"> 3 submissions have been received for the tender for the 5th floor fit out and presentations will take place tomorrow The Committee asked for an update on the planned maintenance programme. The VP CS reported that 3 systems had been trialled that varied in price from free software to £40,000 to £400,000. Confidential note. The VP CS noted that he was reluctant to spend money on a system that may be underutilised. There is a planned maintenance paper coming to the June 2016 committee meeting. A project asset tagging all the assets in the College is in process and the VP CS will be auditing the project alongside the auditors. The VP CS noted advice from the independent H&S advisor who suggested that the free 	



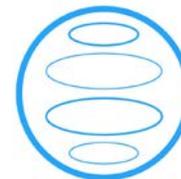
	<p>software is used to begin with and this can be built onto if required. The VP CS reported that the June report will cover this concern.</p> <ul style="list-style-type: none"> The Chair asked about the level of risk at the College around maintenance and health and safety and the VP CS reported that it is presently low. It was a part of the internal audit programme this year but he noted that it is not a mandatory item on the plan. An independent audit report on H&S was also undertaken which resulted in a significant action plan. An internal H&S programme is in place which is audited by the VP CS. The Committee noted that a systematic plan that is monitored is required and asked for assurance that this will happen. It was agreed that H&S and planned maintenance are put onto the Internal audit plan as an annual item. The VP CS noted that this would go forward to the Audit Committee 	<p>VP CS</p> <p>VP CS</p>
<p>5.</p>	<p>Financial Planning</p> <p>a) March 2016 Management Accounts - it was noted that these were considered in detail at the last Corporation meeting.</p> <p>The VP CS noted that he was pleased with how the year is progressing and the College is on target to achieve Satisfactory Financial Health under new regulations at July 2016. This will likely be at the minimum point score of 120 and hence leaving very fine margins for delivery of financial objectives. The College is confident of a surplus with the good performance in the e-learning business and partner delivery of Adult Apprenticeships which has more than offset challenges to 24+ loans fee income which are adverse against budget.</p> <p>b) Draft Budget 2016/17</p> <p>Next year's budget is positive on allocations received so far. Strong enrolments this year for 16-18 year olds and good results for the EFA budget are positive. The College is maintaining pay costs at 64% of income.</p> <p>Business remains broadly similar to 2015-16. The Committee noted that the Executive Summary (p.3-5) is very useful.</p> <p>The Committee raised the following:</p> <ul style="list-style-type: none"> Acquire –the Committee asked if the predictions were achievable and questioned the 30% increase. The VP CS reported that it should be achievable. AAT is up and running and the Monster Jobs link is in place which is the largest job site in Europe. The risk from the project will be in the budget if Acquire fails to deliver. The VP CS noted that it is a great opportunity and has the potential to be of material size and is worth investing time and money into; the College is 100% behind it and the programme is running well. Debtors report –the Committee questioned the level of outstanding debtors. Looking at the Management Accounts and the Cashflow Forecast (p10) the College is very close to the reduced overdraft limit in March 2017. Bearing in mind the status of debtors, where we have 3-6 month debtors of nearly £30,000 the Committee asked the VP CS whether this was a large concern. The VP CS reported that compared to the tuition fees the figure is very low at less than 1%. Confidential note. The Committee asked if anyone is drafting a contingency budget in case another track of action comes into place. The VP CS reported that there are too many unknowns to do much at the current time. The Chair of F&HR noted that the VP CS's time is committed to current work. The Committee asked 	



	<p>what does the bottom line look like and noted that there are some known issues</p> <ul style="list-style-type: none"> • The VP CS noted that match funding for the area review work is not included in the budget as it is too early • The Vice Chair of Corporation noted that the Corporation does have concerns about staff doing extra work at the current time and the Corporation approved a request to appoint a joint Managing Director for Skills Solution Sussex with Sussex Downs College on a permanent contract to allow staff to concentrate on their roles • The Committee asked how apprenticeship assumptions are affected and the VP CS noted that it will affect 2017-18. At the June F&HR 2017-18 will be mapped out as far as possible • The Committee noted the VP CS's view that next year's budget looks broadly similar to this years and the effects will take longer to reach the budget • Pay costs are budgeted at 64%. The College do pay their own cleaners/catering/car parking and when this is omitted it stands at 62.5% which is very efficient • The DP has taken forward the class size agenda and it is up to 18 and the College will continue to push forward • Enrolment is difficult to predict <p>The June budget will go forward to the Corporation. The Committee confirmed they had no changes to propose.</p> <p>The Committee asked for an update on the EDF provision. Confidential note.</p>	
6.	<p>Student Support Funds Policy</p> <p>The VP CS noted that the policy had been updated by the Head of Student Services and her team to try and widen the availability and use of the funds. The College acts as an agency for local people to access the bursary and the aim is that all the funds can be utilised. The Committee noted that the appendices were very useful. The Committee requested the following updates:</p> <ul style="list-style-type: none"> • Update CRB to read DBS • Appeal process panel – change to allow a panel member from an independent area i.e. finance • The VP CS to look into how students can be made aware of the bursary prior to signing up for the course and whether the funds are transferrable to other courses during the Right Choice period and to update accordingly. <p>RESOLVED: The Committee recommended to approve the Student Support Funds Policy, subject to the amendments above. Proposed: KM; Seconded;TC; CARRIED</p>	VP CS



7.	<p>Performance Update KPI dashboard</p> <p>The Committee noted that it was the same version of the dashboard that went to the Corporation on the 27 April.</p> <p>The Chair of CQS explained the changes to the observation of teaching and learning process this year and why the chart is largely grey. The Committee questioned whether the chart was useful as an indicator. The Head of HR noted that the SLT had put some changes on the dashboard to include more relevant reporting for the Corporation to monitor. The metrics to measure teaching staff are currently being looked at by the Head of HR and the Quality Manager. The Chair of Corporation noted that he felt peer reviews and some graded observations would ensure the College keeps on top of quality. The Chair of CQS reported that the SLT were considering a mock Ofsted. He noted that student surveys are in progress and the CQS Committee will be looking at the results at their next meeting.</p> <p>Complaints and compliments – the CQS Committee will consider details in June.</p> <p>Staff turnover is rag rated red and the Head of HR noted this is an error.</p>	
8.	<p>Human Resources Update Grievance Policy</p> <p>The Head of HR reported that there are a number of small updates in the policy as follows:</p> <ul style="list-style-type: none">• Updated legislation• Tightening up when the grievance policy should be used, (section 1, 1.5) to address inappropriate use of the policy by staff. The Committee asked whether HR provided a mentoring role is guiding staff back to their managers to deal with issues together and she agreed they were• Combining the guidance for managers as part of the policy• Update to job titles <p>The Committee considered the updated policy and proposed the following:</p> <ul style="list-style-type: none">• Query on point 1.7 around the suspension of a disciplinary process temporarily whilst a grievance is taking place. The Committee suggested that the point is expanded to clarify this would be on a case by case basis.• Update to the footer to include the correct approval date• Clarification that there is a separate policy for Senior Post Holder grievances. <p>RESOLVED: The Committee recommended to approve the updated Grievance Policy subject to the amendments above. Proposed: KM; Seconded: PF; CARRIED</p> <p>Employment Law</p> <p>The Head of HR reported that from the 1 August the College will be adjusting its holiday pay calculation for those members of staff who undertake regular overtime and those who receive commission. Costs are currently being drawn up with the Head of HR and VP CS. The Committee suggested the College look at contract terms and conditions if overtime is a regular occurrence. The Head of HR noted that it is often due to high sickness levels in an area. The Committee noted that clear guidelines should be available so everyone is treated the same. They questioned whether pension contributions are increased with bonuses and overtime and the Head of HR confirmed that they were.</p> <p>In April the new National Living Wage was introduced and is having an impact on</p>	Head of HR



current pay scales with some supervisor posts being paid the same rate as individuals that they supervise. A paper will come forward to the next F&HR Committee around harmonising pay scales and solutions to the discrepancies in pay as a result of the National Living Wage.

There was a discussion between the Head of HR and the VP CS around job evaluations and the risk and accountability in different job roles.

The Committee suggested that it would be useful to benchmark what other employers pay.

The Committee noted an Article from the Observer about the College not paying staff well in comparison to other colleges. The Head of HR reported that the College, alongside SDC and CCB is in dispute with the unions about the data gathered last year. She confirmed that the College does benchmark against other colleges through HR networks locally and the AoC nationally for middle management upwards. The College does pay less than many other colleges due to the demographics but does pay a premium for prime staff. The Committee asked for more detail and the Head of HR noted it would be in the low or middle quartile for support roles and middle quartile for management roles. Pay scales start at around £4000 less than the AoC recommended pay spine. She noted that the College is still able to recruit to lower salaries.

The Committee noted that if there is an encouraging succession planning scale in place and a good progression system this encourages staff and is beneficial. It was agreed it is cheaper to grow your own staff and provide in house opportunity.

Curriculum management restructure

The Head of HR reported that the consultation ended in the middle of March. Good feedback was given by staff resulting in an additional 2 new posts being created – a curriculum lead for Catering and Senior Vocational Skills Practitioner. The new roles are within the budget and the restructure remains zero cost. A number of applications came through at the start for positions and the College were able to see individuals quickly and appoint. Last week the Director of Curriculum interviews were held and all three positions were appointed with 2 external and 1 internal individual. A number of the ring fenced posts have been delayed pending the outcomes of the Director of Curriculum roles. Next week the Curriculum lead interviews will take place. There has been one request for redundancy and this has been accepted for the end of July.

The Committee requested that an updated organisational chart is sent to the Clerk when the structure is completed.

The Committee questioned how is it being accepted by staff. The Head of HR noted that morale has been good. Staff feel the process has been well managed, it is transparent and a fair process and they can clearly see that there is good career progression. Staff feel that the structure is better. If further restructures are required the same structure can be maintained and restricted.

She noted that communications are good with updates going out to staff when positions are filled.

Head of
HR



	<p>The Head of HR noted that a big advertising campaign is underway with an open evening at the end of May at Ore to recruit in construction and engineering.</p> <p>The Chair of Corporation questioned whether it would be useful to resurrect the Organisational Working Group or an alternative forum to hear the views of staff and to gauge whether morale is being affected in a positive way. The Head of HR has put forward a request to start an Employee Forum in addition to the trade union meetings. It will be a method of gauging morale and keeping staff involved. The Staff Survey is being re-introduced this year and the College is joining forces with a number of other colleges for benchmarking results.</p> <p>PE noted that a staff lunch works well with different staff invited along on a regular basis and issues being forwarded back to managers and areas. The Head of HR agreed that it is worth looking at everything to engage with employers.</p>	<p>Head of HR</p>
<p>9.</p>	<p>Accommodation and Estates Update The VP CS reported as follows:</p> <ul style="list-style-type: none"> • Tomorrow three tender presentations for the 5th floor will take place. Quotes are below budget • The College is still talking to EF re the 5th floor. For this summer they will continue to rent space at the College. They remain enthusiastic about Hastings and the College is assisting housing their local manager over the summer period • A number of opportunities to use the 5th floor really effectively are being considered • The College has taken on a contract for electronically storing College documents. The Winchelsea storage space is no longer required. • The Committee discussed the UoB Hastings buildings • The Chair reminded the Committee that the College held one more property in the town. 	
<p>10.</p>	<p>AOB Update on Barclays Confidential note. The Committee asked if Barclays had been informed about the Area Review position. The VP CS reported that he is speaking to Rod Barker on a monthly basis and he is happy with the updates he is receiving around the College's progress with the area review.</p> <p>The Head of HR asked the Committee if there were any reports around HR they would welcome receiving. The Committee noted that the key indicators are included in the dashboard. The following were agreed:</p> <ul style="list-style-type: none"> • Staff in disciplinary – not on the dashboard but to be put in the Head of HRs report where appropriate • The Chair of Corporation asked what means are used for encouraging staff to move up and whether there was a mentoring approach in the organisation. The Committee questioned how the College could change the culture of the organisation without having definitive records of what is already there. • A report on gender pay to see in advance of data that will be published will 	



	<p>come to the Committee</p> <ul style="list-style-type: none"> • Appraisal information to be put back on the KPI dashboard • The Committee asked whether HR directed staff to the right process for complaints and queries and the Head of HR reported that her team signpost staff and encourage staff to go back and deal with situations within their areas. There has been an improvement with HR taking on a mediation role. Previously there has been negativity and that is being addressed by changes and putting structures in place for staff • The Committee noted the new Curriculum structure and asked how the College aims to build that team so they end up supporting each other. The Head of HR reported that a lot of work with the DP and HR was taking place. They will receive proper management development as a group, working together to look at curriculum and inspection. The external staff in many cases are more experienced than internal staff and will be able to provide support. She noted that they are all developmental roles. The Committee asked whether the new roles will have formal management training. The Head of HR reported that this is being looked at and starting in July externals will be coming in to talk about the CIF. She noted the level of external training is restricted by cost. Some work with FE Sussex, workshops in house, DP workshops, e learning ILM courses are all planned. The Committee suggested the College look at whether SDC run any courses that could be utilised and the Head of HR agreed to meet with the new HR Director at SDC who is starting at the end of this month. She noted that training needed to be managed carefully as the roles also have a high teaching load as well. Individuals are expected to get to a Level 4 degree standard over a period of time. A Level 7 teaching qualification is expected, but there will not be a formalised management grade. There is a continuous CPD approach and the College will expect a development of skills in the next two years. 	
	<p>MEETING CLOSED: 16.55</p>	
	<p>Date of the next meeting: Wednesday 8 June 2016, 15.00 start at Ore Valley (apologies from PF, check for a 14.00 start)</p>	

Attendance for 2015-16: 88%
Length of meeting: 1hr 55mins

Impact of governance: Challenge and support at the meeting:

Planned maintenance – the Committee asked for detail and reassurance on risks to the college around planned maintenance and health and safety. They requested the areas are looked at annually as part of the internal audit plan. Report to come to June F&HR and request to go forward to the Audit Committee in June.

HR report – The Head of HR questioned the level of reporting to governors and suggested areas for them to consider. Gender pay will come to the committee and the HR report will include disciplinary

updates where appropriate. There were strong discussions around ensuring staff morale is closely looked at. Reassurance was sought on the appropriate training of the new curriculum leads with suggestions around sharing training with SDC.

Changes in policy to support staff and ensure the College is compliant were discussed – Grievance Policy was recommended for approval, National living wage and changes to holiday pay were discussed, a policy on harmonising pay scales will come forward to the Committee in June.

Reports to follow and actions:

- Staff survey results.
- At the November meeting the Committee asked SLT to review timings for resignation for teaching staff which varies between schools and FE and whether a change would provide more consistency for learners and provide better opportunities for recruitment. To go forward to the next HR report.
- Harmonising pay scales policy
- HR audit – at the last meeting the Committee asked for an update on concerns (the Audit report has been sent to the Chair of F&HR and the Audit Committee will be considering management responses and progress in June)

Management Accounts – detail requested on Acquire and debtors and levels of risk to the College

Risks delegated to the Committee – no report received, full update to the June meeting requested

Staff welfare – the Committee continued their discussion on the importance of boosting morale. Following the Chair's request to reinstate the Organisational Working Group or a similar group the Head of HR noted that she was speaking with SLT about an Employee forum and would report back on progress.

Student Support Funds Policy – The Committee requested that the College look into how students can be made aware of the bursary prior to signing up for the course and whether the funds are transferrable to other courses during the Right Choice period and to update accordingly.

Management Accounts and Draft Budget – the Committee considered both documents and questioned in detail the predictions for Acquire (accounts had been look at previously at Corporation)

Barclays – at the request of the Corporation the College are in discussions with Barclays around potential outcomes of the area review and work with SDC. The Committee considered college loans and the most effective and low risk way to manage them following information tabled at the meeting.