

FINANCE AND HUMAN RESOURCES COMMITTEE MEETING

DRAFT MINUTES

Date	25 November 2015	Time	15.00
Venue	Station Plaza Boardroom SP119		
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

Apologies:

Lead officers: VP Corporate Services (Biram Desai); VP EES (Dan Shelley)

In attendance: Head of HR (Jackie Travis) Student President (Bradley Toft) for item 9 only

At 14.15 governors visited the Pitman Training Centre, to receive an overview of the provision on offer and an update on enrolments to date. (Ken Melsom, Tony Campbell, Pat Farmer, Graham How, Sue Walton, Paul Evans, Bradley Toft). The Chair noted that the visit was very interesting. He noted the cost for the courses and the timescales for completion. Courses can be paid via a Pitman loan facility or 24+ loans with zero interest for a 12 month period.

	Item	Action
1.	Apologies There were no apologies received.	
2.	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. Sue Walton declared her interest as an employee of Pestalozzi.	
3.	Minutes of the last meeting held on 14 October 2015 RESOLVED: The Committee approved the minutes from F&HR from the 14 October 2015 minutes as a true and accurate record. Proposed: TC; Seconded: PF; CARRIED	
4.	Matters arising on the minutes The Committee noted the action list and the following points were raised: <ul style="list-style-type: none"> Item 4 – the Chair asked for any further update on contingent liability at Ore Valley. The VP CS noted that there is not and will update as necessary The outstanding balance from the Libya contract is still being chased Let's Do Business went well and there were no issues. Nearly 1000 visitors attended and the College had two stands with positive feedback received The ICT department will now manage the kit for sound in the atrium The College is currently finalising the EF contract which will go to the College lawyers for review At the last meeting the VP EES reported on a target for 98 sign ups this year for the Pitman's Training Centre. The Vice Chair asked for an update on student numbers and the VP EES agreed to report back to the Committee via email [After note: current student numbers: 12; exam candidates registered: 10 (some sitting multiple exams or dates); total sales in centre to date: £15,672] Accident report to be provided in line with the cycle of business [After note: circulated 	



	to the Committee on 1.12.15]	
5.	<p>Key Performance Indicators relating to Finance and HR – agree Strategic Targets for 2015-16</p> <p>The VP CS reported on the draft targets for finance which had already been agreed as part of the budget.</p> <p>The Head of HR reported that the targets for HR remain the same with the exception on absence which has been reviewed and updated in line with national UK figures. (see full report for details of targets)</p> <p>RESOLVED: The Committee agreed the strategic targets for finance and HR for 2015-16. Proposed: PF; Seconded: TC; CARRIED</p>	
6.	<p>Human Resources Report</p> <p>The Head of HR reported as follows:</p> <ul style="list-style-type: none"> • The staff turnover figures are higher than last year. Reasons stated are career growth and new challenges and instability in the FE sector • The Head of HR has resigned and will be leaving at the end of the year. The Chair thanked the Head of HR on behalf of the Committee. He noted the substantial work that she had carried out and that the Committee were sorry to see her leave • The golden hello (£4000 for maths with a sign up period of two years) and the removal of caps on pay scales have been implemented and the Head of HR has recommended proposals for stronger performance management and more rigour in tackling poor performance • The Committee questioned the notice periods for staff. The Head of HR reported that lecturers have to give 2-3 months' notice and non-teaching staff have to give a month, or 3 months for management staff. It is not often that staff leave quickly but often staff can serve notice during holiday periods depending on the time of year for resignation. The timings for resignation between schools and FE is different and it was questioned why there is a difference when both are tasked with teaching and supporting young people. The Principal reported that the history of the FE sector is that staff can resign at any time, but increasing the notice period could be considered by the College. The Committee asked the SLT to consider the current system of and whether it could be changed to improve processes to benefit students. • There are challenges with recruiting maths teachers and imaginative and constant effort is put into recruitment with little impact • The Committee asked if a relocation package was used which is tax free to encourage good teachers and the Head of HR reported that the College has not taken this approach to date • The Vice Chair reported on a session on English and maths at the AoC conference. Colleges doing well had created a very bonded team of teachers and favour them above others because it was so important to retain them • The Principal noted that the College is looking at other ideas, i.e. paying College staff to take the GCSE in English and maths to deliver courses <p>(Principal departs)</p>	
7.	<p>College year-end audited accounts 2014-15 including financial statements and regularity auditor's management letter.</p> <p>The VP CS reported as follows:</p> <ul style="list-style-type: none"> • The Audit Committee was attended by Mike Cheetham, RSM Risk Assurance Services LLP (Internal Auditors) and Bill Lumsden and Paul Jagger BDO. The Committee considered the accounts, financial statements and management letter and had recommended to approve to Corporation subject to minor updates. • There are going to be some big changes next year with accounting standards and FRS102. 	



	<ul style="list-style-type: none"> Plaza Trading accounts are included as a limited company. There was a request from BDO to provide a provision for Plaza Trading which has been refused by management. The Committee agreed that the company makes cash profits and it makes sufficient profit to repay the £200,000 loan. [confidential note] Directors from Plaza Trading reported that because it is a training company it is run to the letter of the law and also provides invaluable training for individuals. Debbie Gibbs is an excellent manager and very responsive to trying new methods and the coordination of the business is run very well. In the circumstances there is a reasonable return with the limitations put on the team. It was noted that not every arm of the College's commercial work comes under Plaza Trading. [confidential note] [confidential note] <p>The Committee congratulated the VP CS and his team for all their hard work and a very good set of accounts.</p> <p>RESOLVED: The Committee agreed that subject to minor updates the College year-end audited accounts 2014-15 including financial statements and regularity auditor's management letter would be recommended to approve at Corporation. Proposed: PF; Seconded: SW; CARRIED.</p>	
8.	<p>October 2015 Management Accounts</p> <p>The VP CS reported that he is committed to issuing accounts on working day 12 to the Clerk for circulation to the Corporation. It has been a good start to the year and enrolment has been strong. In the first quarter most of the metrics are positive and pay costs are running in line with budget. The College continues to have positive discussions with Barclays and the overdraft was reduced to £1.5m in November 2015. There is no move by Barclays to reduce the overdraft further at this stage. Barclays are very interested in the area review and the College's progress against it. The VP CS will provide Barclays with factual updates on a regular basis.</p> <p>The Chair questioned p.12 around debt and the VP CS noted that there are no issues of great concern. The Head of International is working to resolve the debt around the Libyan contract.</p> <p>The VP EES reported that the College has applied for growth funding for 19+ apprenticeships and noted that a large proportion will come from in house delivery.</p> <p>The Vice Chair noted that most of the growth in in house delivery is from adults rather than 16-18 students and a discussion will be held at CQS tomorrow to consider further.</p> <p>The Committee thanked the VP CS and noted that the accounts are looking very positive.</p>	
9.	<p>Report on Student Union Accounts 2014-15 (this item was taken first on the agenda)</p> <p>The Student President reported on the accounts. He noted the following points:</p> <ul style="list-style-type: none"> Pool table. This year there is no pool table at Ore Valley. Due to abuse of the tables the company is now taking 100% of profit (compared to 60/40% last year). The shared costs will return if call outs are reduced Demand from the student body for visits outside of College will determine student travel expenses for next year The student union are looking to invest in Dine as part of the drive to a student first culture. The student union budget is limited and the union is looking for a way forward. A survey has been circulated to students and 27% of students would like it to be taken forward. The VP CS noted that if the College can do any more to help with the proposal it will support the Union. The Chair suggested the Student Union put ideas together with costings and bring to the Committee for consideration The Principal noted that he had met with the Student President to discuss the proposals. The Emson brothers are on board with the project. He noted that there had been a disproportionately positive impact from changing the atrium to a café culture environment with music, sport and activities. Students are using the space more than they ever have. The Principal agreed that if Dine can embrace the same 	Student President



	<p>atmosphere it would be a positive move forward for the College and its students. The Vice Chair suggested that if the changes are decorative work could be organised in house with students and staff from art and design, construction, carpentry etc. which would provide a sense of ownership and save on budget</p> <ul style="list-style-type: none"> • The Chair queried the other expenses detailed in the budget and the VP CS reported that he would provide full details. <p>[After note: Student Union other expenses, total £2,715</p> <ul style="list-style-type: none"> • Hospitality for Union events £240 • Equipment hire £225 • Student Enterprise R Hollands project £200 • Student Ambassadors vouchers, 10 students £1,500 • Badges Student Union Election £300 • Student Union LEARN affiliation fees £250] 	VP CS
10.	<p>Review of risks delegated to the Committee</p> <p>The VP EES reported that all subcommittees and Corporation had delegated risks in 2014-15. The Committee is asked to consider the proposed risks for 2015-16. For F&HR the majority of risks remain the same. Changes are as follows: Sessional costs have moved to fixed term contracts removing the risk Work on the Capital and ICT strategy took place in 2014-15 16-18 learners have been removed due to positive enrolment in 2015-16 There are two new risks: E learning in terms of value and volume The Area review process diverting management capacity.</p> <p>The Committee agreed with the risks and noted that there had been a great improvement in the system for risk during 2014-15 with all committees receiving delegated risks and the system was more embedded at Corporation level. The Committee queried whether Failure to recruit and retain staff in key (shortage) should be a higher risk in particular for English and maths teachers. The VP EES and Head of HR agreed that it should and it was increased to gross 25 and net 16.</p> <p>The Committee discussed other methods of recruitment such as overseas and the importance of retaining key staff by encouraging a sense of belonging in the College, it was agreed this could be lost through the number of restructures and staff insecurity. The Committee questioned what SLT are doing to proactively keep staff updated on Area Reviews and pressures on the sector. The VP EES reported that staff briefings have been held to update staff on area reviews and SLT is providing updates to managers on a regular basis. An update on the Comprehensive Spending Review will be sent out tomorrow. The Committee noted the importance of boosting morale for staff and how a year without a restructure and a small pay increase would be of great benefit for staff if circumstances allowed. The Chair of Corporation asked if the Organisational Working Group or a similar group would be resurrected.</p> <p>The Head of HR reported that there are far more robust SMT and CMT agendas in place. She has raised employee wellbeing going forward and is looking at management development. Robust cascade structures are in place to keep staff updated on key issues. The Committee questioned the effectiveness of the cascade and whether work had been carried out to evaluate its impact on staff through the College. It was noted that a staff survey will be sent out early next year to feed back on the College and the HR team in particular.</p>	
11.	<p>AOB</p> <p>The Vice Chair noted that at a recent PPR ESOL reported a turnaround over the last year and is now producing a surplus. The VP CS confirmed this was correct. ESOL results were outstanding for 2014-15 and if the same results are achieved next year it will be a grade 1 area. The Committee congratulated Otto Haas and his team for a great result.</p>	

	MEETING CLOSE	
	Meeting dates for 2015-16 Wednesday 2 March 2016; Wednesday 4 May 2016; Wednesday 8 June 2016 (all 15.00 start)	

Meeting closed at: 16.40

Governor attendance for 2015-16: 100%

Length of meeting: 1hr 40mins

Impact of governance: Challenge and support at the meeting

Pitmans Training Centre – visit by governors to look at the quality of the facilities and training on offer for the community. Monitoring of enrolments to look at the financial viability.

KPI indicators for HR – at the request of the committee staff absence has been benchmarked against national figures

HR report – 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.

Management Accounts – following requests from the Committee accounts are now being sent out to the Corporation on day 12 and this will be reduced further when a full staff is in place in the finance team. This will allow more timely oversight of the College finances.

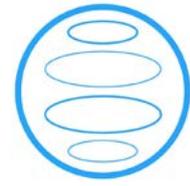
Student Union report and budget – the Committee encouraged the Student President to bring back a report on need and funding required for a refit of Dine to enhance the student experience. The Principal noted that there had been a disproportionately positive impact from changing the atrium to a café culture environment with music, sport and activities. Students are using the space more than they ever have. The Principal agreed that if Dine can embrace the same atmosphere it would be a positive move forward for the College and its students.

Risks delegated to the Committee - The Committee asked that Failure to recruit and retain staff in key (shortage) is a higher risk in particular for English and maths teachers; it was increased to gross 25 and net 16 and will be monitored closely.

Staff welfare – the Committee noted the number of restructures and staff insecurity and questioned what SLT are doing to proactively keep staff updated on Area Reviews and pressures on the sector. Staff briefings have been held to update staff on area reviews and SLT is providing updates to managers on a regular basis. An update on the Comprehensive Spending Review will be sent out tomorrow.

The Committee noted the importance of boosting morale for staff and how a year without a restructure and a small pay increase would be of great benefit for staff if circumstances allowed. The Chair of Corporation asked if the Organisational Working Group or a similar group would be resurrected.

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