

FINANCE AND HUMAN RESOURCES COMMITTEE MEETING

Minutes

Date	3 May 2017	Time	15.00
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Venue	Station Plaza Boardroom
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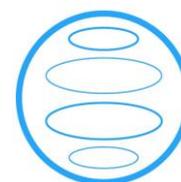
Chair	Pat Farmer
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Membership: Pat Farmer (Chair); Sue Walton (Vice Chair); Tony Campbell OBE KSG FRSA; Principal (Clive Cooke); Paul Evans (co-opted); Ken Melsom MBE JP (co-opted)

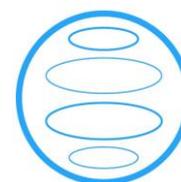
Apologies:

Lead officers: VP Corporate Services (Biram Desai); In attendance: Head of HR (Melanie Price); VP Enterprise, Employment and Skills (Dan Shelley)
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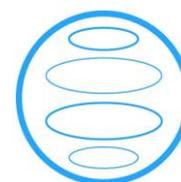
	Item	Action
1.	Apologies There were no apologies for the meeting.	
2.	Declarations of interest Ken Melsom declared his directorship of Hastings Plaza Trading Ltd. Paul Evans declared his directorship of Hastings Plaza Trading Ltd and membership of the academies board. Sue Walton declared she was an employee of Pestalozzi. Pat Farmer declared his membership of the Hastings and Rother Task Force.	
3.	Minutes of the last meeting held on Wednesday 1 March 2017 RESOLVED: The Committee considered and approved the minutes of the meeting held on the 1 March 2017 as a true and accurate record subject to updating the declarations of interest. Proposed: PF; Seconded: TC; CARRIED	
4.	Matters arising on the minutes The Committee noted that actions had been completed or were on the agenda. Points raised included: The VP EES reported that the College had put in a 1% speculative bid of £1million, but because of the General Election and purdah there will not be an announcement until June. Currently the money is under contract to private providers and has been opened up to tender. Plaza Trading –Members of the board of Plaza Trading welcomed the suggestion to have a Corporation member as an additional member on the board. The Director of Governance agreed to extend the invitation to the full Corporation. The Chair of F&HR noted that he had expressed an interest.	Director of Gov
5.	University Centre project plan The VP CS reported: <ul style="list-style-type: none"> The floor is installed and came in slightly over budget at £100k 	



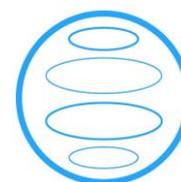
	<ul style="list-style-type: none"> Tendering for the main works brought in only two bids, one for full fit out and one for the electrics. The bid for the full works from Acorn Limited was £498k plus VAT which is significantly over budget. A revised scope for two of the wings is being sent out for tender <p>The VP EES reported that the fit out of two thirds of the top floor would satisfy year one of the UC and investment would be required for the remaining third for in years two and three.</p> <p>The Vice Chair reported that the spec was based on the original build estimates and it is well worth looking at some of the specs from this time to see if savings can be made whilst still maintaining a high standard of work.</p> <p>The VP EES reported:</p> <ul style="list-style-type: none"> The College has received a HE capitalist fund from HEFCE for £100k. [confidential item]Validation is progressing but due to UoB staff strikes meetings are delayed until later this month. There are no foreseen problems The College is continuing to push for 2017-18 enrolments. Some areas are low to date but there are plans to market through social media and through other providers to boost numbers. 	<p>VP CS</p> <p>VP EES</p>
<p>6.</p>	<p>Human Resources Update</p> <p>The Head of HR reported on the HR KPIs:</p> <ul style="list-style-type: none"> Staff voluntary turnover has gone up to 7.83%. Staff leaving noted they had moved for better opportunities elsewhere Suggested historic under reporting on staff absence continues to be worked on closely by HR and managers with interventions and workshops taking place. There has been a slight rise as predicted following the work from HR with an increase to 6 days per person per year. This remains under the sector average Mid-year performance management reviews are currently at 82% completion and HR is working with managers to find out why 100% hasn't been reached. It is still a good completion rate and there is an improved engagement from managers and staff Mid-year reviews on CPD and development plans have focused on teaching staff with HR working alongside the Quality team. Currently 76% teachers have a development plan in place. <p>Updates from HR included:</p> <ul style="list-style-type: none"> The gender pay gap reporting came into force in April. It is not the same as equal pay and shows the difference in the average hourly rate between men and women, regardless of their role. The UK average stands at 18% and the first reporting from HR shows the College above this. There is further work to be carried out but it isn't expected that the gap will close significantly. It was agreed that the main reason is that there are few females in senior roles in the College with the SLT and SMT being almost exclusively male. The Vice Chair 	



	<p>noted that it was a difficult position for the Corporation as the College is the equivalent of an SME there is less opportunity to appoint to the SLT and fewer roles to fill at a senior level. There is a relatively even divide of male and female staff at the College and the larger number of fractional posts and lower paid roles are taken by women. The gap raises the question of why we are not promoting women into these positions and coaching them into senior management roles. The full report will be available at next month's Committee and the Head of HR noted that she would be asking the Committee for a strategic decision on how and when the data should be published.</p> <ul style="list-style-type: none"> • The national living wage went up in April from £7.20 to £7.50. This has again had an impact on the single pay spine with some staff being paid more than their supervisors and HR are now having to review the affected pay scales annually • Recruitment. In skills shortage areas the College has managed to secure a chemistry teacher for 2017-18 and cover is in place for the rest of this academic year. HR is working hard to recruit a HE subject leader in Engineering. Despite offering golden hellos, market supplements and training it has not been successful to date. The College is working with the department to utilise internal staff to pick up HE delivery where possible in the interim • [confidential item] • A new employee recognition award scheme is being launched next week specifically for outstanding Learning, Assessment and Teaching. The panel is made up from the VP C&Q, the VP EES and members of the Quality Team • [confidential item] 	
7.	<p>Performance Update - Key Performance Indicators relating to Finance The VP CS reported that the dashboard is the same version that went to the Corporation last week. The Chair asked the co-opted governors if they had any questions and the only query related to the Complaints box which has been removed from the front page of the dashboard as it wasn't an effective indicator for the board.</p>	
8.	<p>Financial Planning a) March 2017 Management Accounts The VP CS reported that there are no fundamental changes in the March accounts. The Vice Chair reported that because there is a significant reduction in projected surplus and the College continues to overspend on teaching costs he has asked for a breakdown to understand exactly where the additional costs are coming from and whether they can be addressed going forward. KM noted that he was disappointed to see the CPO provision in the accounts for payment. The VP CS reported that with the Machinery of Government changes (i.e. BIS to BEIS) they have committed to going back through the records to establish that the College is only liable for five of the plots and Hastings Borough Council for the remaining two. £550k has been provided for in the budget and with the original request for £659k this should be reduced to £470k.</p> <p>b) Draft budget 2017-18 [confidential item] The VP CS continued as follows:</p> <ul style="list-style-type: none"> • A lot of income streams are set and straightforward to plan and budget • E learning is budgeted at £40k per month in next year's income line. <p>E learning</p>	VP CS



	<p>The Committee asked for the e learning item to be addressed at this point of the meeting. The VP EES reported that the College has restarted its e learning business with 3 courses, ILM, AAT and an Entrepreneurship course. The partner is Barnes Turton. The pilots were started in March. It has purposely been set up as a pilot for the first few months to minimise spends on social media. To date 92 enquiries have been received with a 5% conversion rate to applications that start this month. To put it in context Acquire had a 7% conversion rate. 19 of the 92 are on-going and 75% have been closed as dead leads. The main reason is that there is no communication following initial form filling. Over the next 2-3 months the College will open the band width for marketing and hopefully increase the hit and conversion rate. It is aiming for a 5-8% conversion rate. The College is also looking to work with Stonebridge, a training provider who deliver programmes through e learning. Part of their group delivers the platform for the College. Discussions around Stonebridge securing leads to the College for a 10% fee once individuals have been through a period of induction is underway. The aim would be to help the College achieve volumes for 2017-18. The Chair asked about the relationship with Monster and the VP EES reported that they have had a change of direction and have stopped working as a third party marketing website but the College is speaking with other companies to use for marketing the programmes. The Committee asked how many learners the College needs and the VP EES reported it would be 250 learners, or 20 a month. He reported that the College has learnt through Acquire that there is a balancing act between solvency and standards and both need to work well to avoid negative press. The College is on target to achieve a 52% timely success for those who are on programme at the moment and is cautiously optimistic about e learning.</p> <p>[confidential item]</p> <p>c) Budget and costs for the business case</p> <p>The Committee noted the costs and that they were clearly impacting on the 2017-18 budgets. The VP CS reported that FEA had helped put together the document and it is a best estimate at the moment. The Chair noted that they can be seen as exceptional costs and should be treated as such in the budget and how they may impact on Financial Health. It was agreed that it depends on the status of the TU application and if it is unsuccessful they would need to be expensed in year. There is an argument that they should be rolled into the new entity as a cost in advance of that point, or asking Barclays for a waiver on the costs and it was agreed this would be worth exploring. The VP CS confirmed that they are currently included in the 2017-18 budget.</p> <p>The Committee noted that it seems a large figure for due diligence.</p> <p>PE asked if the College has any choice in the matter. The VP CS reported that the state is not requiring colleges to merge but if colleges stand alone and fail there is the threat of the insolvency regime.</p> <p>The Chair noted that the Corporation is having to manage a way along the process and has a duty to challenge all the issues along the way.</p>	VP CS
9.	<p>Financial Regulations</p> <p>The Committee considered the revised Financial Regulations. The VP CS noted that 7 college regulations and a model from KPMG had been researched prior to the revised version being written. It was agreed to update the tender opening section. The Director of Governance confirmed that it was acceptable for her to open tenders</p>	VP CS



	<p>with the Head of Finance but that tenders over £150k would involve a member of the Committee. The Chair suggested that a section on leasing should be included with the same level as for capital expenditure. The Chair asked that in future changes to policies are tracked changed.</p> <p>RESOLVED: Subject to the changes above the Committee considered and recommended to approve the revised Financial Regulations. Proposed: PF; Seconded: SW; CARRIED</p>	
10.	<p>Student Support Funds Policy</p> <p>The VP CS reported that the Director of Student Services and Student Support Manager have reviewed and approved the updates. The aim is widen the net to ensure the College can give out all of its bursary funds.</p> <p>The Committee noted that at the Student Voice session there had been comments from students about hardship and some apprehension to visit Student Services. The Committee asked how widely the funds are promoted to students and how good the take up is. The VP EES reported that the bursaries are discussed during enrolment and induction and there is a tight timescale for applications during this period. The Committee discussed how effective the process is. The Principal noted that next year the Student Advocacy and Liaison Services will be able to help students with these areas of College life.</p> <p>RESOLVED: Subject to updating the funding agency to read ESFA the Committee considered and approved the revised Student Support Funds Policy. Proposed: PF; Seconded: SW; CARRIED</p>	
11.	<p>Risk Management Update – Risks allocated to F&HR Committee</p> <p>The VP EES reported that the majority of risks are being mitigated and managed effectively. The two high risk areas are the reduction in surplus and e learning are highlighted in the key section and the annex provides an update on the period between February and April. The Committee asked why Financial Health and the banking covenants are not rated red and the VP EES noted that the discussions around the risk of these items related to 2017-18.</p>	
12.	<p>E learning</p> <p>This item was discussed under item 8.</p>	
13.	<p>Sussex Skills Solutions</p> <p>The VP EES reported that a detailed report would come to the F&HR Committee in June and the update today was around headlines up to the end of March. Highlights included:</p> <ul style="list-style-type: none"> • SSS is performing well • The combined revenue position is 6% up from this point last year, 3% for SCCH and 8% for SDC • Because of the change between old and new funding rules it has been a strong month of sales and this will continue into April. SSS is focusing on the current lag between when employers and apprentices are signed up and their ILR. Some provision from Conveyancing Direct who are developing two new standards, increased work with Marshall Tufflex and a revamped provision with A1 Quality Care is all positive. SSS are on target to achieve enrolment targets, although slightly under target for 19+. • For the Adult Education Budget (AEB) a lot of work with pre-employment programmes is taking place and the colleges are rolling out joint provision in 	

	<p>construction. The £500k income rate for AEB this year will be achieved</p> <ul style="list-style-type: none"> • There are just over 900 employers that are levy paying in the area. Most are in the lower figure of £15k-£100k per year. The Director of SSS has been working with the sales team and good relationships have been forged with 39 employers to date. There are no starts to date and this will begin on Monday with an update coming to the next Committee • A response has been submitted to the tender for West Sussex Council and SSS will hear back in late May or early July about whether it has made it onto their framework. 	
14.	<p>AOB Internal Audit report on Planned Maintenance 21.4.17. The Chair reported that he had asked for the report to come to the Committee to provide assurance around planned maintenance as it had been an area of concern for the Committee. He congratulated the VP CS and the team for a good report with only minor recommendations from internal audit.</p>	
	<p>MEETING CLOSED: 16.52</p>	

Attendance for 2016-17: 85%
Length of meeting: 1hr 52mins

Impact of governance:

Plaza Trading –Members of the board of Plaza Trading welcomed the suggestion to have a Corporation member as an additional member on the board. To review over a period of time after appointment.

HR **Gender pay** – full report to the next committee. Discussion around the profile in the SLT and SMT. To be explored further at the next meeting.

Financial Regulations – the regulations have been revised at the request of the F&HR and Audit Committee

Student Support Funds policy – discussion around the effectiveness of promoting the bursaries and apprehension of some staff to go to Student Services. Introduction of the Advocacy Service next year should impact positively on students needing support and guidance. To be reviewed.