

## FINANCE AND HUMAN RESOURCES COMMITTEE MEETING

### Minutes

<b>Date</b>	<b>10 June 2015</b>	<b>Time</b>	<b>15.00</b>
<b>Venue</b>	Station Plaza Boardroom		
<b>Chair</b>	Ken Melsom MBE JP		

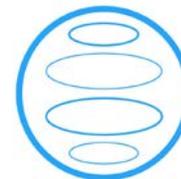
<b>Membership:</b> Ken Melsom MBE JP (Chair); Wendy Bennett; Tony Campbell OBE KSG FRSA; Principal (Clive Cooke); Paul Evans; Pat Farmer; Sue Walton
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<b>Apologies:</b> Paul Evans ; Head of HR (Jackie Travis)
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<b>Lead officers:</b> VP CS (Biram Desai); Head of HR (Jackie Travis) <b>In attendance:</b> VP EES (Dan Shelley)
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From 13.30-15.00 Bobbie Hargreaves delivered e governance training.

	Item	Action
1.	<b>Apologies</b> Apologies were received from Paul Evans and the Head of HR (Jackie Travis)	
2.	<b>Declarations of interest</b> The Chair of Corporation declared a conflict of interest for one section of item 11 and noted that he would leave the meeting for the item. 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 she was an employee of Pestalozzi.	
3.	<b>Minutes of the last meeting held on Wednesday 6 May 2015</b> <b>RESOLVED: The minutes from the meeting held on Wednesday 6 may were agreed as a true and accurate record subject to a duplication of text on p.3</b> <b>Proposed: PF; Seconded: WB; CARRIED</b>	Clerk
4.	<b>Matters arising on the minutes</b> The Committee noted the completed actions and the following points were raised: <ul style="list-style-type: none"> <li>The Vice Chair confirmed he has received the Health and Safety audit report</li> <li>The VP CS confirmed that the panic button arrives next week</li> <li>The Clerk noted that she would organise for governors to review the GRID system prior to the next Committee meeting</li> <li>The Committee questioned whether the College had received SFA confirmation for the lifting of the Financial Health Notice of Concern. The VP CS reported that a meeting was scheduled with the SFA on the 6 July and that the College has met the conditions required to lift the notice. The SFA are coming due to concerns about the level of subcontracting the College undertakes. The VP CS reported that subcontracting is a managed part of the College's strategy. The Chair noted that this has been an area of</li> </ul>	Clerk



	<p>concern for the board and asked if they have provided any guidelines on amounts of subcontracting. The VP CS confirmed that they haven't at this stage. The VP EES reported that their focus is on bad subcontracting for quick gains or results of poor success or timely success rates and the College is not in that situation. Strategic leadership of the area is good, success rates are high and audit processes are commended as a good practice guide.</p> <ul style="list-style-type: none"> <li>• The Chair of Corporation asked if it was appropriate for the Chair of F&amp;HR or the Chair of Audit to be present at the meeting to emphasise the scrutiny by the governors of subcontracting. The Principal and VP CS confirmed they would suggest this to the SFA and thanked governors.</li> <li>• The Committee discussed the processes around reducing the amount of provision that is classified as subcontracting. One strategy may be to deliver in house Functional Skills for local provision.</li> </ul>	
<p>5.</p>	<p><b>Strategy Documents</b></p> <p>The VP CS reported on the documents and asked that they are recommended for approval to Corporation.</p> <p>He noted that the IT Strategy was reviewed by Baker Tilly and results were positive with 3 detailed actions:</p> <ul style="list-style-type: none"> <li>• The College should develop an operational planning framework designed to deliver its IT strategy objectives</li> <li>• The College should develop KPIs to measure and report on the IT Strategy performance and delivery</li> <li>• The Corporation should formally approve the IT strategy.</li> </ul> <p>The VP CS noted that the Strategy focuses on more self-directed study areas and more integration with IT. It is focused on areas where most people will use the applications. It is a financial cost linked to the 3 year plan and costs mainly focus on amendments and updates to the building to support the IT strategy.</p> <p>The Vice Chair of Corporation noted that the Construction Industry Training Centre (CITC) had been reported as a temporary plan before facilities were expanded at Ore Valley and questioned if this had changed. The VP CS explained that the cost benefit analysis showed that costs would not make this a value for money exercise and a break clause at the CITC was coming up in a couple of years. The VP EES noted that the CITC is useful as expansion space and capacity to deliver construction apprenticeships. There is ambition for the construction section to grow and the College has recently had confirmation that it will take CITB apprenticeships. The VP CS reported that longer term the College does want to be on two sites but there is not an immediate plan to move from the CITC.</p> <p>The Committee noted that it is not an ideal site with a difficult journey for learners. The Vice Chair suggested looking at another site near to the Motor Vehicle centre at Ivyhouse Lane.</p> <p>The Chair of Corporation asked about space at the Motor Vehicle and whether this was an issue. The VP EES reported that the delivery model has changed and the site is being used during holiday periods. The Chair asked the Student President for her view on space for learners and she reported that there are not many students on site. The VP EES agreed that the College would be mindful of capacity but stretching delivery across 5 days would help with this.</p> <p>The Committee asked about the 5<sup>th</sup> floor and the extension. [confidential note]</p>	<p>VP CS</p>

<p>The Chair of Corporation questioned whether there were opportunities for funding from the LEP for the extension. The Principal reported that this is very unlikely and the VP EES noted that this would only result in 33% of the costs. SW noted that overseas student contribution to the economy is significant for the town.</p>	
<p>The Committee asked for confirmation on the revolving doors and the VP CS noted that this would be completed during the summer.</p>	VP CS
<p>The Vice Chair noted the importance of a planned maintenance programme and suggested that the College go ahead with the spread sheet but also seek external assurance that the programme is fit for purpose and being implemented. It was agreed that using a local expert would be beneficial.</p>	
<p>The Chair queried the Sportsmaker role and the VP EES noted that it is a College post with funding from Sport England. Their job is to encourage sport for young people and get them active. The focus at the moment is street sport in the atrium. The Committee considered solar panels and the VP CS noted the suggestions that over the next 3 years a big reduction in the cost of solar panels would take place. He reported that the scheme would create issues around financial arrangements and another loan and confirmed that the College were not progressing with solar panels at the current time.</p>	VP CS
<p><b>ICT Strategy</b></p>	
<p>SW identified a number of small changes and passed these to the VP CS for action. She asked where the rationale for leasing was in the strategy and the VP CS noted that he has not had a chance to carry out this work to date. The Chair noted that this would be noted as an outstanding action in the strategy. There are a number of references to different documents and SW suggested that a link to the FELTAG report would be useful.</p>	
<p>The Vice Chair noted that the direction of the strategy is good. He voiced concerns that there are many unanswered questions in the strategy and references to exploring and researching work which is required but the strategy still provides very clear financial figures which are included in the 3 year plan. He noted that the key questions in the project brief are not included in the strategy.</p>	VP CS VP CS
<p>The VP CS reported that he had written the strategy with the ICT Manager and an independent consultant and that he is responsible for the strategy. The strategy focuses on the ICT infrastructure and there is separate section of work around staff and teachers and their engagement with ILT which is being led by the DP. This is not in the scope of the strategy.</p>	VP CS
<p>The Vice Chair noted that he accepted the view on eLearning but questioned sections such as the exploration of an enhanced learning resource centre which is accompanied by firm financial figures. The VP CS noted that the figures are not a guaranteed link and the figures are designed to be estimated within the plan. He explained that the College has looked at what was required and the costs are best estimates. He noted that it is quite likely that all the money won't be spent. There have been prudent budgetary allowances in the plan to do some of the work.</p>	
<p>The Chair of Corporation noted that in education it is a vast moving programme and moving changes forward is difficult. The start is to sit down and make a plan of some kind.</p>	
<p>The Committee agreed it is a good vision.</p>	
<p>The Principal reported that the position the VP CS is taking on the ICT strategy is a firm one - the amount of money is provided and will be matched by relevant work. The Committee asked about the cultural side of the strategy where learners can</p>	

	<p>bring their own devices and asked who is going to be responsible for the critical issues around policies and procedures. It was noted that the strategy doesn't address these issues. The Principal reported that the VP CS is responsible and will be provided with a project team to action all issues around the strategy. There will be KPIs to measure the implementation plans.</p> <p>It was noted that the DP had developed e learning at City College Brighton and bring expertise to the agenda.</p> <p>The Vice Chair noted that he had requested that relevant audit reports are passed to Committee Chairs. The Clerk noted that this had been raised with the VP CS and Chair of Audit and would be taken forward.</p> <p>The Committee asked what further assurance is there that the questions raised in the IT strategy are going to be delivered. The VP CS noted that he would send through the IT audit report which provides comfort on some of the issues. He noted that in March 2016 a performance management document will be produced on progress of the strategy and he agreed to share the dashboard that covers the issues raised.</p> <p><b>RESOLVED: The Committee recommended to approve the ICT and Capital Strategy to the Corporation. Proposed: TC; Seconded: PF. CARRIED</b></p>	<p>Clerk</p> <p>Clerk</p>
<p>6.</p>	<p><b>Performance Update</b> <b>KPI dashboard</b> (see full dashboard for details)</p> <p>The VP CS reported that total college income is on target to deliver and he confirmed that this includes subcontracted income. The estimate is around £21m. Operating surplus for year to date is ahead of target and is looking to be ahead at year end.</p> <p>The College has effective means of projecting the main funding streams with the GRID system.</p> <p>Staff costs as a percentage of college income are above target.</p> <p>The cash position is very good with retention paid out being £200k less than forecast.</p> <p>Staff turnover spiked due to the recent restructure.</p> <p>Sickness has gone up due to a couple of genuine long term sickness cases. The Committee asked that the national sick rate average is included for benchmarking and the VP CS agreed to action. The Committee noted that the some scaling on the dashboard is misleading when looking at the bar charts.</p>	<p>VP CS</p>
<p>7.</p>	<p><b>April 2015 Management Accounts</b></p> <p>The VP CS noted that the accounts show a good picture with the College being on target to exceed operating surplus. The full year forecast is increased slightly to £637k.</p> <p>The VP CS referred the Committee to p.9. Cash flow is good and the whole College has done well in keeping to budgets and generating income.</p> <p>The College will publish figures nationally after year end and it will be well clear of the SFA danger zone.</p> <p>The Vice Chair questioned the legal profession and audit costs, and asked why sundry items add up to £57,000. The VP CS noted that he will break down into categories and circulate to the Committee.</p>	<p>VP CS</p>



<p>8.</p>	<p><b>Final 2015/16 Budget and three-year financial plan</b></p> <p>The VP CS reported that there are no changes to the 2015-16 budget proposed at the May F&amp;HR. It is a challenging time nationally for the sector and difficult forecasting with national issues and cuts. Assumptions in the 3 year plan have been made in light of the latest known information on income. There will be a likely continued reduction in the classroom element of the Adult Skills Budget in the coming years, but other substantial changes in the funding rates, methodology or delivery method have been assumed to be limited. A forecast has been delivered that is business as usual. The aim is to maintain income at around the £21m mark, keep course business as buoyant as possible and keep pushing at delivering 16-18 income with mitigations in place for under delivery. SLT are looking at sensible interventions. It is a confident and positive 3 year forecast and the SLT are continually thinking where income can grow and where any changes can be mitigated. At the current progress the overdraft would be substantially cleared in 3 years.</p> <p>The Vice Chair thanked the VP CS for very thorough reporting.</p> <p>The Vice Chair referred to table 4, p.14 and the issue of staff costs. He noted that each year reductions are made and each year staff costs do not meet the targets. This year a reduction from £10320 to a target of £9990 was planned and £10490 was achieved. He asked what evidence is there to confirm this will happen when the targets are never met. The VP CS noted that there were issues around the e learning pilot with the huge amounts of work and increased hours. He reported that the bottom line is managed as well as it can be and he can budget to a certain level of detail but sickness cover is difficult to budget for. A compensating cost or income that balances the pay budget is in place. He noted that further cost reductions will be difficult.</p> <p>The Vice Chair asked about posts that are cut and then re recruited as the functions cannot be managed without the post. The VP CS noted that the College does not let staff go without careful consideration about the post.</p> <p>The Principal reported that the College's management of staff utilisation is not as advanced as it should be. Despite the best plans the College hasn't monitored and controlled posts as well as it could. The DP's work with the VP CS on pay cost savings has provided evidence and demonstrated that far too many staff have been coasting near the top of their contracted hours. All established staff will sign off their teaching timetable for next year before they go on summer leave and will need to show 100% of contracted hours.</p> <p>The Committee asked for an update on the Management Accounts and receiving them in a timelier manner. The VP CS reported that he is currently micromanaging the production of the accounts with a view to improving the performance. The Clerk noted that the May 2015 accounts will come to the Corporation meeting in June. The Principal clarified that the assumptions are based on those we know of and changes in funding and policy may change the forecast for years 2 and 3.</p> <p><b>RESOLVED: The Committee recommended to approve to Corporation the Final 2015-16 Budget and 3 year plan. Proposed: PF; Seconded: SW; CARRIED</b></p>	<p>VP CS</p>
<p>9.</p>	<p><b>Student Council Budget 2015-16</b></p> <p>The Student President reported on spending for this year and the amount remaining to be spent. The VP CS noted that it was a good paper and detailed all expenditure. He noted that the budget will remain the same with the under spend carried forward</p>	



	<p>for next year.</p> <p>The Committee asked about the situation with the pool tables and the Student President reported that the lease will continue subject to the tables being looked after going forward. She noted that Ore Valley will lose their pool table as the common room will not be manned next year and table tennis will replace the table. The Chair queried the suggestion that there will be no Student President next year. The Principal reported that there will be a Student President but the post will not be remunerated. He noted that a survey of 15 colleges showed that only one other had a paid president post and in the current climate it was agreed to pilot a non-remunerated post for a year and monitor the impact this had.</p> <p>The Vice Chair noted that he was uncomfortable with the proposal and how this reflected on the College's student first approach. The Chair of Corporation reported that the Student President had brought a very positive attitude to the role and the remuneration acknowledges the importance of the role and sets it apart. He noted that the Principal had discussed the decision with him.</p> <p>The Chair asked if the SLT had looked at other options like a part time role or a reduced salary. The Principal reported that it had been discussed and it was concluded that the College would struggle to get somebody to take it and there was a risk they would leave midyear if a permanent role came up. He noted that it is about getting the right person in the role and other colleges make it work by having a passionate student president.</p> <p>The Vice Chair noted that historically the roles were taken by Pestalozzi students who made a difference and contributed greatly to the student union and the Corporation due to their commitment.</p> <p>The Committee reported that the Student Presidents had transformed the union and their contribution to the governors was very important. The Chair asked the Student President for her views. She noted that taking on the role whilst studying and taking exams would be difficult but there are other colleges who make it work. She explained that the majority of work takes place at the start of the academic year.</p> <p>The staff governor asked if an apprenticeship post could be used to fill the post and the Committee noted that this would be difficult as it would limit the election process and stop it being open to all students.</p> <p>The Committee noted their concerns about the situation and asked the SLT to take another look at the decision.</p> <p><b>RESOLVED: The Committee approved the Student Council Budget 2015-16 to remain at £4050.00 and underspend to be carried forward. Proposed: CC; Seconded: SW; CARRIED</b></p>	<p>Principal</p>
<p>10.</p>	<p><b>Recommendations for 2015/16 subcontractor allocations</b></p> <p>The VP EES reported that the College has been through a process for all existing partners to bid into the allowed funding. Decisions are based on performance and business cases and added rationales (on p.2) around some of the early thinking about the direction of travel for a government. To allow a running start the College has over allocated on a couple of the budget lines. The VP EES explained that this is partly on the understanding that the government want a 33% increase in apprenticeships plus the College expects more growth in academic year 2015-16. The over allocation allows movement with delivery, the contract allows a cease to new starts in year and there are checks and balances in the monthly monitoring using GRID software. The first growth case is likely to happen in August with results out in October.</p>	

	<p>The Committee discussed the figures and the VP EES noted an error in the labelling of the tables. For clarity he explained that table 1 is the amount F&amp;HR agreed, table 2 is the total of the bids, and the bottom table on page 2 is what partners are allocated.</p> <p><b>RESOLVED: The Committee approved the recommendations for subcontracting delivery for 2015-16 and noted that contracts will be signed and delivery will commence on 1 August 2015. Proposed: TC; Seconded: PF; CARRIED</b></p>	
11.	<p><b>Human Resources Update</b></p> <p>The Principal explained that the College is recommending withdrawing the Pay Protection Policy by 1 September. This is in consultation and agreement with the unions. The VP CS noted that the policy had been a challenge for the college and individual staff members.</p> <p>The Vice Chair asked whether the withdrawal required 3 months' notice as a statutory notice period and the Principal noted that HR advice is that it does not. He asked if there are any legal requirements on pay protection and it was confirmed that the College has received legal advice and there are none.</p> <p>The second recommendation is to remove the glass ceiling to allow staff to progress incrementally. The Committee asked if the College followed particular national pay scales and the Principal reported there is a broad comparability across the sector but there are no national pay scales.</p> <p>The Committee queried the removal of the link between pay increases and performance and the Principal clarified that this was about removing the requirement to provide incremental pay increase regardless of staff performance.</p> <p>The Principal noted that the new policies would come forward to the Committee for consideration next term. The Committee queried if it was acceptable for there to be a period with no policy in place and the Principal reported that the policy was only used during a redundancy period and the period discussed would be fallow.</p> <p>SW asked that the HR report follows the same template as other papers with a summary coversheet and that when a policy is recommended for action it is included in the papers. The Clerk to action.</p> <p>Exceptions</p> <p>The Chair of Corporation, the staff governor and the Student President departed for the item (16.25)</p> <p>The Committee asked whether the HR report needed to be moved to a confidential section of the meeting if staff were going to be named by initial or job title. The Clerk agreed to take forward.</p> <p>[confidential note]</p> <p>(16.36 – TC, WB, CS returned)</p> <p><b>RESOLVED: The Committee recommended to approve to Corporation the withdrawal of the Pay Protection Policy from the 1 September 2015 and the removal of the glass ceiling for teaching staff. They noted that a new Pay Policy will be brought to the Committee.</b></p>	<p>Head of HR</p> <p>Clerk Clerk</p> <p>Clerk</p> <p>Clerk</p>
12.	<p><b>Accommodation and Estates Report</b></p> <p>The Committee noted the report. The VP CS updated the Committee on the final contingent liability in respect of the CPO at Ore Valley. An extension to proceedings has been requested and it looks likely that the liability will lie with SCCH and Hastings Borough Council. [confidential note].</p>	

13.	<p><b>Health and Safety Report</b> To note that the Health and Safety Policy is under review for approval at the 14 October 2015 meeting. The VP CS noted that the SLT were disappointed at the content of the independent report commissioned on health and safety. [confidential note] The VP CS noted that it is near the top of his priority list. The VP EES reported that the risk register for 2015-16 will include health and safety as a key risk and it will be raised at the relevant committees.</p>	
14.	<p><b>Review of risks delegated to the Committee</b> The VP EES went through the risks delegated to the Committee and updated on actions that had been achieved but not included in the paperwork (Risk 182 – a training course for partners linked to SFA/EFA management requirements has taken place and a new due diligence process for 2015-16 has been carried out). The Committee noted the report.</p>	
15.	<p><b>Review of FHR Committee terms of reference</b> including a review of Committee effectiveness for 2014-15. The Committee considered the review of effectiveness and the Vice Chair commented how useful the document is. The Committee considered the terms of reference. The Clerk agreed to add the Vice Chair role and clarity of terms of office for ex officio and co-opted members and to reformat the document. <b>RESOLVED: The Committee recommended to approve the terms of reference subject to the above updates.</b></p>	Clerk
16.	<p><b>Annual Cycle of Business for 2015-16</b> The Committee reviewed the cycle. Changes were agreed as follows:  <ul style="list-style-type: none"> <li>• Subcontractor policy – move to May for approval</li> <li>• HR report at every meeting.</li> </ul> <b>RESOLVED: The Committee approve the annual cycle of business for the F&amp;HR Committee.</b></p>	Clerk
17.	<p><b>Review of confidential minutes 2014-15</b> <b>The Committee reviewed and approved that the confidential minutes remain confidential.</b></p>	
18.	<p><b>Appointment of Chair and Vice Chair for 2015-16</b> The Committee approved the following: Chair of F&amp;HR – Ken Melsom Vice Chair of F&amp;HR – Sue Walton <b>RESOLVED: The Committee approved the Chair and Vice Chair roles for 2015-16. Proposed: TC; Seconded: PF; CARRIED</b></p>	
19.	<p><b>Data Protection Code of Practice</b> The Chair asked for any changes in the policy to be explained. The Clerk reported that the code had been produced by David Willcox the College's Data Protection Officer and was based on best practice. SW asked if there was a more detailed policy which complements the ICT strategy and the VP CS agreed to bring along to the next meeting. The Committee asked about archiving and how the College planned to take this agenda forward. The VP CS noted that the College is looking at electronic archiving.</p>	VP CS

	<b>RESOLVED: The Committee recommended to approve the Data Protection Code of Practice. Proposed: SW; Seconded: TC; CARRIED</b>	
<b>20.</b>	<b>AOB</b> There were no matters raised. The Chair thanked the Student President for her time on the Committee and noted that it had been a pleasure working with her and wished her well in her future career.	
	<b>MEETING CLOSED: 17.00</b>	
	<b>Meeting dates for 2015-16</b> Wednesday 14 October 2015; Wednesday 25 November 2015; Wednesday 2 March 2016; Wednesday 4 May 2016; Wednesday 8 June 2016 (all 15.00 start)	

Length of meeting: 2hrs

Meeting attendance for 2014-15: tbc