

## FINANCE AND HUMAN RESOURCES COMMITTEE MEETING

<b>Date</b>	<b>14 October 2015</b>	<b>Time</b>	<b>15.00</b>
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<b>Venue</b>	<b>Station Plaza Boardroom</b>
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<b>Chair</b>	Ken Melsom MBE JP
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**Membership:**

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

**Apologies:** Sue Walton

**Lead officers:** VP Corporate Services (Biram Desai);

**In attendance:** VP EES (Dan Shelley); Head of HR (Jackie Travis)

At 14.30 governors are invited to a demonstration of the GRID system by the MIS Manager David Willcox (attendees: Ken Melsom, Tony Campbell, Pat Farmer, Paul Evans).

	Item	Action
1.	<b>Apologies</b> Apologies were received from Sue Walton.	
2.	<b>Declarations of interest</b> 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.	
3.	<b>Minutes of the last meeting held on Wednesday 10 June 2015</b> The Clerk to update a typo on p.3 and p.9 related to the cost of solar panels and the Chair of the Committee. <b>RESOLVED: Subject to the amendments the Committee approved the minutes as a true and accurate record. Proposed: TC; Seconded: PF; CARRIED</b>	
4.	<b>Matters arising on the minutes</b> <b>Accommodation and Estates Report.</b> The Committee asked for an update on the final contingent liability in respect of the CPO at Ore Valley. The VP CS reported that there are no fundamental changes to report. BIS have agreed to pay the liability and will discuss reclaiming the amount with the College at a later date. The Committee questioned the final figure of the settlement and the VP CS reported that of the 9 different sized plots the College is liable for 7. <b>Management accounts to be produced in a timely manner</b> – [confidential note] The target is working day 12 for the Clerk to circulate accounts to the Corporation via email and this will be reduced when recruitment takes place.	
5.	<b>Review of Capital and ICT Strategy</b> - Good progress took place over the summer. The ground floor hair salon has been converted to a self-study area and the LRC has been changed to accommodate additional self-study areas. The revolving door	VP CS



	<p>is having a positive impact on climate control and a good payback period is estimated. In March 2016 F&amp;HR will receive metrics around the measurability of the IT strategy and the College is working within the approved budget. IT equipment at Ore is being reviewed with a focus to make sure the best kit is available for the curriculum that is being delivered. The <b>Pitman's Centre</b> is well laid out. The Vice Chair asked for an update on the Centre. The VP EES reported that progress is slow and steady. The College is looking forward to Lets Do Business with over 1000 employers looking around the centre to see the benefits. 16 learners are enrolled at the moment and there is a target of 98 for the year. The Committee asked about advertising and the VP EES reported this is done via social media, through the Chamber of Commerce and the Centre Coordinator attending various business events. Pitman's own advertising and national website is expected to be the main source of enrolments and the College is currently looking at the balance required with local marketing on generation of business. The Principal noted that to date evidence showed that the Pitman's advertising did need supplementing. The Chair questioned if there was a break even figure for the business to work financially and the VP EES confirmed this was 60 learners per year. The Chair asked if the issues with Let's Do Business last year had been resolved and the VP CS reported that the power on the left hand side of the building, the Wi-Fi and the sound system have been organised. The Clerk to circulate the event date to all governors. The Principal noted that the College is in other negotiations with Pitman to lead to more exciting revenue streams, the relationship with Pitman's is good and they are going to be in attendance at the AoC conference this year to encourage colleges to franchise with them.</p>	<p>Clerk</p>
<p>6.</p>	<p><b>Key Performance Indicators relating to Finance and HR – Update</b> The Committee considered the dashboard and the following points were discussed:</p> <ul style="list-style-type: none"> <li>• Most indicators are very positive</li> <li>• Surplus and cash position are stronger than budget</li> <li>• Pay costs as a % of income kept below budget</li> <li>• The Adult skills budget is close to 100% which is very good</li> <li>• Congratulations to the apprenticeship team who have worked hard against high targets</li> <li>• Delivery of 16-18 LR funding – banked the lagged funding benefit in 2014-15 (as actual delivery was around 89%)</li> </ul> <p>The Vice Chair of Corporation asked when targets for 2015-16 will be ready and the Principal reported that these will come to Committees this term for consideration and agreement and be approved by Corporation in December.</p>	
<p>7.</p>	<p><b>Enrolment Update</b> The key enrolment period operated smoothly with a revised process resulting in faster turnaround times and fewer queues. All areas of the College contributed to staffing during enrolment. The College is focusing on 16-18 Learner Responsiveness intake (f/t target of 1541). To date enrolment is currently around 10% above target before the Right Choice period. The College is anticipating fewer withdrawals. The target is to maintain funding for 16-18 and the Principal reported that he is confident this will be achieved. The VP EES noted that further enrolments happen in year with apprenticeships and</p>	



<p>those are reviewed monthly. The Chair commented on the useful presentation from the MIS Manager David Willcox on the GRID system. The Committee agreed that the enrolment situation puts the College in a good position going forward in terms of the area reviews. The VP EES reported that the Comprehensive Spending Review may take funding away from 16-18 and it might be accompanied by a cut in delivery hours. The Committee questioned how intake compares with other local colleges and the Principal provided an overview of the local colleges. The Committee questioned how the College achieved such a positive intake and the Principal reported that it is a joint effort with the curriculum doing a good job, encouraging success rates, good work from the Marketing department and work with local schools. The Chair of Corporation asked what details are available from school destinations. The Principal reported that there would be a full analysis from every feeder school. The proportion of year 11s from St Leonards Academy is pleasing and there are a number of enrolments from St Richards and Claverham. Bexhill High School is only 18% of the cohort which is disappointing and work is being carried out to identify why this is the case. The Principal reported that ESCC has sent through some recent data on travel to learn which he agreed to share with the Committee. The Committee considered the performance from schools and whether standards were improving. PE reported that there are significant improvements in the primary sector which bodes well for the longer term. However many schools are still delivering below the national average.</p>	<p>Principal</p>
<p><b>8. Human Resources report</b> The Head of HR reported that the main item for discussion is the Pay Policy The Committee considered the revised policy and the following points were noted:</p> <ul style="list-style-type: none"> <li>• The Policy has removed the glass ceiling, the pay protection policy and made updates to job titles and other minor changes</li> <li>• The Trade Unions agreed the Policy before the summer</li> <li>• The Committee asked if it is the College's intention to introduce linkage to performance. The Head of HR reported that it is the aim to have performance related pay in place for September 2016. She explained that the current rigour of the performance management scheme is insufficient to base pay on and causes a risk to the College. The Principal reported that it is struggling to find a college in the sector that does have a rigorous scheme in place</li> <li>• The Committee asked for the staff's view of the changes and the Head of HR reported that staff are content with the removal of the glass ceiling.</li> </ul> <p><b>RESOLVED: The Committee recommended to approve the revised Pay Policy. Proposed: PF; Seconded: PE; CARRIED</b></p> <p>The Committee considered the confidential item on exceptions.</p> <p><b>(JT departs at 15.19)</b></p>	



9.	<p><b>July 2015 Management Accounts</b> The VP CS reported as follows:</p> <ul style="list-style-type: none"> <li>• The final out-turn is materially ahead of forecast</li> <li>• [confidential note]</li> <li>• A new accounting system was implemented during the year which required significant extra work from the team</li> <li>• Final income is 6.0% higher than budget</li> <li>• Final pay costs are 5.7% higher than budget</li> <li>• Final non pay costs including depreciation and interest payable are 1.1% below budget</li> <li>• The Committee noted that the cashflow is positive. The VP CS reported that he had met with Barclays last week who are happy with the College's financial position and the reduction in the overdraft. The Committee questioned whether the bank expects a further reduction next year and the VP CS noted that this has not been discussed to date.</li> <li>• [confidential note]</li> <li>• The VP CS noted that subject to audit the College may make Good Financial Health</li> <li>• The Committee discussed the consultation around the new financial health measures and asked what level would be viewed as unsatisfactory. The VP CS reported that he had reviewed the draft proposals which have been published and there is a good chance of receiving a satisfactory rating in 2015-16. The Committee questioned what the percentage is and the VP CS noted that he was aware of the calculations they are considering using. He explained that there is work to do but the College will need to achieve and noted the importance for the College of achieving Satisfactory Financial Health in July 2016</li> <li>• The Committee queried staff costs which are substantially different from the last accounts. The VP CS reported that income from the Pathways programme has all landed favourably. Pay costs haven't changed but more income has been received</li> <li>• The VP CS provided more detail of the legal amounts in the accounts as requested by the Committee at the last meeting. It was noted that there is still a lot of consultancy payments and asked if there are any measures about whether they give value for money. The VP CS noted that there are no formal KPIs to measure the performance of consultants but the College does not allow consultants to come on board without SLT agreement. He noted in this period of austerity things are being reviewed very carefully.</li> </ul>	
10.	<p><b>Senior Post Holder and Governor expenses for 2014-15</b> The Committee noted the report and commented that payments were low.</p>	
11.	<p><b>Financial Regulations (annual review)</b> The VP CS reported that he had thoroughly reviewed the Regulations and was confident they were up to date and no changes were required. <b>RESOLVED The Committee recommended to approve that the Regulations remain the same. : Proposed: PF; Seconded: TC; CARRIED</b></p>	
12.	<p><b>Accommodation and Estates report</b></p>	VP CS



	<p>The Committee considered the report. The VP CS reported as follows:</p> <ul style="list-style-type: none"> <li>£14,700 has been received from the sale of the car park at Pyke House.</li> </ul> <p><b>EF business plan [confidential note]</b></p>	
13.	<p><b>Health and Safety report</b> The VP CS reported as follows:</p> <ul style="list-style-type: none"> <li>The H&amp;S Committee will meet in 2 weeks' time</li> <li>There are no areas of concern.</li> <li>Software on reporting of risk assessments which were more user friendly and in line with H&amp;S requirements is being rolled out. Online training and modules have been rolled out and staff are completing and an electronic log is available</li> <li>Accident reporting will be available at the next meeting</li> </ul> <p><b>Health and Safety Policy</b> The Committee considered the Policy and asked if it was substantially different from the previous version. The VP CS reported that the Policy has been streamlined in line with advice from Darren Setters an independent H&amp;S officer who audited the College's health and safety controls. Changes to content are for consistency, updates to comply with legislation and updated job descriptions. The Committee suggested the Policy be reviewed to streamline it further, in particular section 4.3 on the duty of students to make it more readable. PE suggested a student representative sit on the health and safety committee and the VP CS agreed to ask the Student President to join the committee. The Committee suggested that the VP CS review the sections of the Policy where his job title would be more appropriate to include than just VP. The Committee agreed to recommend the Policy to the Corporation for approval.</p> <p><b>RESOLVED: The Committee recommended to approve the revised Health and Safety Policy to the Corporation subject to the amendments above.</b> <b>Proposed: PF; Seconded: PE; CARRIED</b></p>	VP CS
14.	<p><b>Risk Management</b> <b>Risk Update</b> The VP EES reminded the Committee about the risks assigned to the Committee. Only 2 are above the risk appetite agreed by the Corporation – Study Programme income target where under recruitment has led to a reduced allocation in 2015-16 and the 16-18 apprenticeship target which fell short of ambition. The target has been reduced for 2015-16.</p> <p>The Committee reviewed the Strategic Risk Register.</p> <p><b>Risk assurance map</b> The VP EES explained that the document is a snapshot of all risks assigned to F&amp;HR Committee. Risks to recognise the new Strategic Plan and the academic year 15-16 will come to the Committee in November and will be up for discussion. The VP EES explained the colour coding on the map and the details around assurance levels and who is responsible for risk assurances.</p>	
15.	<p><b>Apprenticeship Update</b> The VP EES reported that the update document shows performance in terms of income for funding streams and delivery. The table shows how income generated by the College and its partner network has grown significantly over the last three academic years. There has been growth across the board and the VP EES noted he is proud of the College's own delivery which has increased both with adults and 16-18s. Subcontracted partner delivery has grown from £1,027k to £3,514k</p>	



<p>(+242%). The vast majority of this growth is in 19+ apprenticeships due to the increased focus upon this age range by the coalition government which set and surpassed a target of 2 million apprenticeship starts over the lifetime of the last parliament.</p> <p>There are 200 starts to date and the College has moved substantially forward this month with the best performance at the start of the year to date.</p> <p>The Committee questioned whether this is specific to the College or a national trend and the VP EES reported that it is not increasing everywhere and 16-18 apprenticeships are levelling off or dropping down. He explained that the College has worked hard and has an excellent sales team which has led to good feedback across networks and the College has opened up a number of new frameworks including hospitality. There are better market conditions and the College has become better at delivering provision and is receiving more and more repeat business.</p> <p>The Chair of CQS suggested that a breakdown of subject areas would be a useful report to bring to the CQS Committee.</p> <p>One governor questioned if the apprenticeship system was not available how individuals would receive CPD. The VP EES reported that for this parliament the system will continue. It is a top priority for skills in this parliament although there will be changes in funding and delivery which may have an impact on employers appetite. The VP EES reported that he did not know what the impact on the changes would be for the College.</p> <p>The Committee asked about other East Sussex FE providers and their apprenticeship numbers. [confidential note]</p> <p>The Committee agreed that apprenticeship provision and intake at the College is very positive and the Chair of F&amp;HR reported that there is a good management of the whole process. (VP EES departs 16.10)</p>	<p>VP EES</p>
<p><b>16. AOB</b></p> <p>The Chair updated the Committee about the BDO seminar on financial positions which he and the VP CS had attended. He noted the breadth of experience in the team at BDO.</p> <p>He noted that during the area reviews the banks involvement shouldn't be overlooked and that they will be involved in college's decision making. For example banks might expect colleges to repay loans before they agree to mergers. The banks will at the very least seek to improve their position in terms of improved interest rates in their favour.</p> <p>The Committee discussed area reviews and the impact on the College in some detail.</p>	
<p><b>MEETING CLOSED: 17.00</b></p>	
<p><b>Meeting dates for 2015-16</b> Wednesday 25 November 2015; Wednesday 2 March 2016; Wednesday 4 May 2016; Wednesday 8 June 2016 (all 15.00 start)</p>	

Attendance for 2015-16:  
Length of meeting: 2 hours