

FINANCE AND HUMAN RESOURCES COMMITTEE MEETING

Minutes

Date	23 November 2016	Time	13.15 –Sussex Skills Solutions update 14.00 - meeting
Venue	Station Plaza Boardroom SP119		
Chair	Pat Farmer		
Membership: Pat Farmer (Chair); Sue Walton (Vice Chair); Tony Campbell OBE KSG FRSA; Principal (Clive Cooke); Paul Evans; Ken Melsom MBE JP			
Apologies: Sue Walton; Ken Melsom			
Lead officers: VP Corporate Services (Biram Desai); VP EES (Dan Shelley) In attendance: Head of HR (Mel Price)			

At 13.15 governors received an update from Sussex Skills Solutions team Stephen Burkes Director of SSS on his work since appointment. 22 visits have taken place to employers leading to further meetings within organisations. See presentation for details.

	Item	Action
1.	Apologies Apologies were received from Sue Walton, Ken Melsom and the VP C&Q. The Chair asked that the Governance Committee look for an additional governor to join the F&HR Committee.	Clerk
2.	Declarations of interest The Chair declared an interest as a member of the Hastings and Rother Task Force.	
3.	RESOLVED: The Committee approved the minutes of the last meeting held on 6 October 2016 as a true and accurate record. Proposed: TC; Seconded: PF. CARRIED	
4.	Matters arising on the minutes were noted. Items discussed included: Planned maintenance – The VP CS to bring an update on progress for planned maintenance to the next meeting. The VP CS confirmed that the College is up to date on planned maintenance. SFA confirmation of over delivery – the VP CS reported that the auditors are ready to sign the accounts on the basis of the SFA's verbal confirmation. A formal notification is still pending. Costs of quality improvement – the VP CS confirmed that after CQS Committee tomorrow the in year investments in curriculum will be sent to the F&HR Committee	VP CS VP CS/VP EES
5.	Draft Strategic Plan 2015-18 and Key Performance Indicators relating to Finance and HR – agree Strategic Targets for 2016-17 The Committee considered the refreshed plan and the following updates were proposed:	



	<ul style="list-style-type: none"> • p.3 to put Prevent in the safeguarding statement • p.9 to remove the vague statement on the potential for an 11-16 school • Whether including a target to be in the top 20% of colleges is useful in objective 3. The Principal questioned whether the comment is misleading • Whether the modified statement from Outstanding to be Outstanding and Good is acceptable. It was agreed that it is real in the timescale of the Plan. The VP EES noted that it is about the outcomes for the students to get good grades and the right progression. In aiming for it the College has to deliver on the 5 key attainment measures. The Chair suggested that it is considered at CQS tomorrow. • p.7 is highlighted as the full data set is not available from ESCC to date • Update the inspectorate apostrophe and we're to we are (p.2) <p>The Chair noted that he felt it was a very precise and appropriate Strategic Plan.</p> <p>Strategic Targets for 2016-17 The Committee considered the proposed targets for 2016-17 and the following points were discussed:</p> <ul style="list-style-type: none"> • Change other to agreed areas (bullet 4) • It was agreed to specifically include the collaboration with SDC in objective 1 <p>RESOLVED: The Committee agreed to recommend to approve the revised Strategic Plan 2015-18 and strategic targets for 2016-17. Proposed: PF; Seconded: PE. CARRIED</p> <p>KPI dashboard The VP CS confirmed that the dashboard is up to date with relevant data. The Principal confirmed that the existing format of dashboard with updated 2016-17 targets will come to Corporation on the 8th December. The Chair requested that ProMonitor is included on the dashboard as a key target for governors to monitor. The Principal noted that it is already being robustly monitored in the College and ways of reporting this would be investigated.</p>	<p>SLT</p> <p>CQS</p> <p>SLT</p> <p>SLT</p>
<p>6.</p>	<p>Financial implications of CQS matters The VP CS confirmed that after CQS Committee tomorrow the in year investments in curriculum will be sent to the F&HR Committee</p>	<p>VP CS/VP EES</p>
<p>7.</p>	<p>Human Resources Report The Head of HR reported as follows:</p> <ul style="list-style-type: none"> • Staff voluntary turnover remains low at 4.45% compared to the sector average of 17% • Absence rates are fairly low at 4.9 days per person per year compared to the sector average of just over 8 days. There has been some evidence of under reporting with the increase in temporary/sessional staff cover for individuals who are off sick but not reported as such and ongoing training is taking place to assist managers in dealing with sickness absence • Performance management reviews are 86% completed. HR is working closely with managers and is confident that end of year ratings will be 100% Performance Management Objectives for 2016-17 are being moderated this year • The Chair of Corporation questioned how governors should approach the expectation that they need oversight of the performance management 	

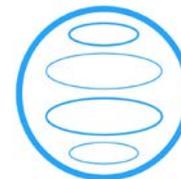


processes across the College. He noted that governors **are** very involved in SLT performance management but not at other levels of the College. The Principal explained that the F&HR Committee needs to be able to assure itself that robust performance management is in place. CQS will see the areas of underperformance at its meeting tomorrow and following this the Principal and Head of HR will provide information for governors about what performance management has been triggered where performance is low. The Head of HR explained that as part of the moderation HR will be able to provide clear data on each area and triangulate this with quality in curriculum areas. It will demonstrate whether staff are being rated consistently and whether it reflects what their outcomes are.

Principal
/Head of
HR

- **Performance management.** The updated Managing Performance policy has been in place since August 2016 and HR are looking at how much compliance there is on a monthly basis. Since the policy has been in place there has been an increase in interventions taking place which have resulted in improvements in compliance. There is an explicit link between underperformance and the consequences of support or otherwise. 16 teaching staff members are on the informal stage, 6 have moved off having met required standards. The Chair asked for specific details on curriculum areas and the Head of HR agreed to bring to the next meeting
- **English and maths.** Campaigns have been successful in securing 3 new English and 2 new maths teachers. All are experienced with significant subject knowledge and qualifications. Additional money was released from the VP CS to fund market supplement for the posts
- **Local pay and conditions negotiations update.** Negotiations continue to go well and the College has made some agreements on Teaching pay grades to come into effect in September 2017. The lowest point of the pay grade will be removed with no financial impact to the College. The glass ceiling will be completely removed. How and when to use zero hours contracts was agreed. The Head of HR noted that the College has always moved staff over to fixed contracts when they have regular hours. Unison is concerned about the possible increase in the living wage next April to £7.50 and how it might impact on pay between supervisors and their staff. The College has already made adjustments to the pay spine for this year and will review again when confirmed
- **Job evaluations.** The system has started to be implemented. The aim is to have all roles mapped against the pay spine by the end of the academic year. The Committee questioned the appeals procedure and the Head of HR reported that once all the roles are mapped on the system there will be a process and a panel in place for individuals who wish to appeal
- **Staff survey.** The Committee considered the results. The Head of HR confirmed that that a meeting with Employee Forum has taken place to consider the survey results. The forum will bring back recommendations from the findings. The Chair noted his concerns that there is some strong negative and contradictory feedback in the results. The Committee noted that there appears to be a third of staff who don't feel involved or participate in the College. The Head of HR explained that the Employee Forum aims to engage much more with staff. Returns for the survey were 54%. The majority of these provided positive comments which is a good start. 54% feel that the College is not communicating effectively. The Chair reported he felt a communications

Head of
HR



	<p>strategy is needed to help people understand what the College does. The Principal noted that the College doesn't get it right all the time. There are set ways for communicating that involve all people but the perception is that they are not working. The aim is that the Employee Forum will tell SLT what they need to do differently. Regular emails and the SLT road shows already take place. The VP EES and VP C&Q will now be sending out regular updates. The Committee suggested that a mechanism for a two way flow of information is put in place with SLT attending team meetings through the year. The VP EES reported that this is already in place with agreed team meetings with a mission to feed information up and down to groups. He suggested that staff choose not to use the processes in place. The Committee suggested that HR check whether meetings do take place and whether feedback was given. It was noted that checks and balances hadn't been carried out last year but this year they were in place. The Committee questioned how staff feel at the other College sites. The VP EES reported that Ore has the feel of a satellite. He noted that the structures are very new and will take time to embed but it is about whether people engage in the process. A weekly brief bulletin to all staff will go out shortly from the VP EES and VP C&Q. The Principal suggested that the Head of HR contacts a college in the sample who scored more highly on effective communications and speaks with them about their communication strategies.</p>	<p>Head of HR</p>
<p>8.</p>	<p>College year-end audited accounts 2015-16 including financial statements and regularity auditor's management letter. The Committee considered the accounts, financial statements and management letter. The VP CS reported as follows:</p> <ul style="list-style-type: none"> • The key impacts of FRS102, in particular the balance sheet net assets position, have been considered by the committee in detail at previous meetings • The largest impact on the July management accounts position is the FRS102 charge for pensions. The VP CS reported on a positive presentation he had received from LGPS. The East Sussex funding level has increased to 88% • The College is pleased that key tasks set by the SFA for Financial Health have been passed and the College has received Satisfactory Financial Health for 2015-16 subject to validation by the SFA in February 2017. • The curriculum development section of the accounts and other minor updates are still to be updated in the accounts, as are the updates noted from BDO relating to Acquire. • Plaza Trading. The VP CS reported that BDO have highlighted that Plaza Trading is making a loss and suggest the College revisit its purpose and status. The Committee considered whether other parts of the Colleges commercial work could be included under the subsidiary and it was agreed that Coast is run as a social enterprise with a small number of dedicated staff and Dine provides free school meals and neither would fit well in the model. The Chair of Corporation asked whether an independent Corporation member should sit on Plaza Trading meetings and it was agreed that the next Plaza Trading meeting would discuss • The Committee asked about the new banking covenants and the VP CS reported that they would come to the March Audit and F&HR Committee meetings. <p>RESOLVED: The Committee recommended to approve the College year-end audited accounts 2015-16 including financial statements and regularity auditor's</p>	<p>VP CS/PE</p>



	<p>management letter subject to updates around Acquire from BDO. Proposed: PF; Seconded: TC; CARRIED</p>	
9.	<p>October 2016 Management Accounts The VP CS reported as follows:</p> <ul style="list-style-type: none"> • The College is currently running ahead of budget • 16-18 enrolment was good • The cash balance at the end of October stood at £1,817k in surplus • The reduced overdraft facility is approved at £1.25m from 1 November 2016 • The full year forecast will be revisited for the November accounts • The VP CS is working closely with the MIS Manager and the VP EES on the GRID software to provide a good barometer of SFA funding streams <p>The Committee asked whether the VP CS could foresee any other surprises on the horizon. He reported that it is getting harder to earn the adult education budget; the apprenticeship levy comes in in April and a lot of work been done to prepare. He noted that this year it is business as usual and the College will have time to mitigate any challenges on the adult budget. The Principal reported that the F&HR meeting in March 2017 is too far ahead and suggested an informal meeting in January.</p>	SLT/ Clerk
10.	<p>Skills Funding Agency Financial Plan The item was noted. The Committee noted the Satisfactory Financial Health grade for 2015-16 and forecast for 2016-17.</p>	
11.	<p>Report on Student Union Accounts 2015-16 The VP CS and the SP reported on the accounts. The VP CS reported that the College was looking to continue the £2500 contribution to the SU and support 50% towards the Awards Ceremony subject to receiving a plan for 2016-17. £1888 will be carried over to this year's budget. The SP reported that the Student Union Working Group is considering whether a part time administrator for the SU would be a valuable asset to the development of the SU. She explained that running the SU alongside academic study was challenging. The proposal would require an increase the budget by £500-£600 to resource the post. The Principal, VP CS and Head of HR all agreed that subject to being within budget and in line with the usual HR protocols they would welcome any proposals from the Student Union focus group meeting in December. RESOLVED: The Committee recommended to approve the Student Union Accounts for 2015-16 and Budget for 2016-17. Proposed: PF; Seconded: PE. CARRIED</p>	
12.	<p>Review of risks delegated to the Committee The VP EES reported as follows:</p> <ul style="list-style-type: none"> • The register had been written before the Acquire news. It was agreed that it was important to keep the Acquire risk in the register • Apprenticeship delivery has a lot of turbulence. Beyond this year apprenticeship revenues will be significantly reduced • Subcontracting can continue to take place under some circumstances. The College is putting forward a tender but the maximum is £5m over 18 months including in and out payments such as incentive payments for employers (this is compared to this year's tender of £7m for 12 months). There is £440m available and an expected 2000-3000 tender applications. 	



	<ul style="list-style-type: none"> The Committee questioned the Sussex Skills Solutions plans and whether more investment was required and whether it was likely to get less profit than expected. The VP EES noted that there are difficulties in the aligning of processes between the two colleges but progress is being made. However this is not impeding SSS's progress in the market. Subject to increasing the banking covenants risk to 16 the Committee agreed their risks for 2016-17 	VP EES
13.	<p>Acquire update The VP CS reported as follows:</p> <ul style="list-style-type: none"> The Corporation were fully aware of the opportunity and risks of e learning. Acquire have gone into voluntary liquidation and the VP CS has advised the Principal and Chair of Corporation, the internal and external auditors, the SFA and the Chairs of F&HR and Audit E learning is a good model and the College are looking at other opportunities and re configuring learners from a new source The Audit Committee considered the situation in detail this morning alongside the external auditors. The focus for the College is on moving forward and updating the Financial Regulations to work appropriately within a commercial world. The Audit Committee are looking forward to seeing how this can be done in the right way going forward. The College will be working with the insolvency team to resolve the debt The current revenue streams for 2016-17 cover the provision made for year end for live learners to complete their qualification <p>The VP EES reported as follows:</p> <ul style="list-style-type: none"> It is a big disappointment that the Australian company decided not to support the UK company The business model is a strong one and there are other ways of achieving margins on eLearning. There are a solid source of learners from other avenues and it can be profitable for the future The Committee asked for timescales for an alternate plan. <p>The Chair noted that the Corporation has always supported eLearning as a programme and encouraged the SLT to find other markets.</p>	
14.	<p>AOB University Centre – The Committee asked about the red lines and whether there had been any compromises. The VP EES confirmed that there had not. The Centre would not be a separate entity but could be within 3-5 years. The DfE don't see any objection with the name change to Sussex Coast College and University Centre Hastings. The UoB would welcome applications from individuals to their Board but currently have no vacancies. The College would be able to offer degrees from other universities after providing the UoB with first refusal. From the new year the College will take over the marketing and PR of the University Centre.</p>	
	MEETING CLOSED: 16.20	
	<p>Meeting dates for 2016-17 Wednesday 1 March 2017; Wednesday 3 May 2017; Wednesday 7 June 2017 (all 14.00 start)</p>	

Attendance for 2016-17: 67%

Length of meeting: 2hrs 20mins

Impact of Governance:

University Centre – there was an update on negotiations and confirmation that the red lines remain in place.

Acquire – there was a discussion on the financial impact and impact on learners and the work to start again with e learning. The impact on the College is being looked into by the Audit Committee.

Costs of quality improvement – in October the Committee considered whether the Committee needed to work more closely with the CQS Committee on in year improvements identified in the curriculum. The VP CS confirmed that after CQS Committee tomorrow the in year investments in curriculum will be sent to the F&HR Committee.

Planned maintenance – in June the Committee received an update on planned maintenance and health and safety and requested confirmation that risks are covered and costs are budgeted under the current system. Further action is to look at as inclusion as part of the internal audit plan and to receive updates when a new system is implemented. At the current meeting the VP CS confirmed it was on schedule and the Committee asked for a progress report to the next meeting.

HR report – at the last meeting the management responses from the HR audit to be closely followed by the Audit Committee and relevant information to come back to the F&HR Committee – this is pending

Staff survey – at the last meeting the Committee asked that the results come forward and benchmarking data brought to the Committee. Initial results were available and communications with staff was considered. The Head of HR to contact a college with higher results to look at their practices.

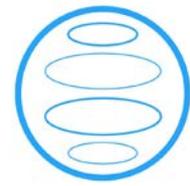
Performance Management - The Chair of Corporation questioned how governors should approach the expectation that they need oversight of the performance management processes across the College. He noted that governors are very involved in SLT performance management but not at other levels of the College. The Principal explained that the F&HR Committee needs to be able to assure itself that robust performance management is in place. CQS will see the areas of underperformance at its meeting tomorrow and following this the Principal and Head of HR will provide information for governors about what performance management has been triggered where performance is low.

Staff welfare – in 2015-16 the Committee discussed the importance of boosting morale for staff. Following the Chair's request to reinstate the Organisational Working Group or a similar group the Head of HR has sent up an Employee forum. The forum will be looking at the results of the Staff Survey and coming back to SLT with recommendations.

Student Union accounts and budget for 2016-17 the Student President provided an update on the work of the SU Working Group and the possible suggestion to bring an administrator role into the SU to provide support. The suggestions to be taken forward to the Corporation in December.

Risks delegated to the Committee – A full discussion on the risks delegated to the Committee for 2016-17 and a request to increase banking covenants to 16.

Additional informal meeting – agreed in January at the Principal's request.



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