SOUTHPORT COLLEGE

MINUTES OF RESOURCES COMMITTEE MEETING HELD ON WEDNESDAY 27TH FEBRUARY 2018

Present:	Keith Millington	Independent Governor (Chair)
	Veronica Fell	Independent Governor
	Rob Firth	Independent Governor
	Kathy Passant	Independent Governor (Observer)
	Vipin Trivedi	Independent Governor
	John Clarke	Principal
In Attendance:	Eddie Green	Vice Principal Services
	Gill Kelly	Director of Human Resources (minutes 136 to 158)
	Lesley Venables	Interim Clerk to the Corporation

APOLOGIES FOR ABSENCE

109 Apologies for absence were received and accepted from Stephen Breen (Associate Member).

DECLARATIONS OF INTEREST

110 A declaration of interest was received from Veronica Fell (Chair of the Corporation) as she is married to John Fell (Independent Governor).

MINUTES OF THE MEETING HELD ON 20TH NOVEMBER 2017

111 **Resolved -** That, with 2 minor amendments to paragraph 77, the minutes of the meeting held on 20th November 2017 be approved as a correct record and signed by the Chair

MATTERS ARISING

112 Governors received a list of actions resulting from the previous meeting and the progress made against each of these.

113 Under minute 94 the Vice Principal Services reported that staff terms and conditions were currently under review following the merger, but that any appointments made since 1st February 2018 would be on Southport College contracts.

114 In response to questions on the recent activities of the shadow board for the second stage of the merger (consisting of 3 governors from each of the merged colleges, together with the respective principals), the Principal/CEO reported that it had been agreed that this body would not meet again until future options for collaboration had been reviewed. Events such as the inspection of Hugh Baird College and the first stage mergers had delayed the continuation of any discussions between the respective colleges.

115 The Committee suggested that it would be useful for future meetings to receive information on performance in the form of a financial dashboard. The Vice Principal Services responded that this was already presented twice a year already through the Committee's review of the dashboard received from the Education Skills Funding Agency. Performance against the College's internal financial indicators was reported monthly in the management accounts.

116 Governors asked whether it was possible for the accounts to separate income and costs for the two respective colleges and were advised that work was ongoing on the presentation of information to provide a useful comparator of performance, both for the Corporation and the management team.

117 Under minute 96 the Vice Principal Services reported that figures relating to sickness absence levels at KGV would be included in the Human Resources report before the end of the academic year.

CONFIDENTIAL ITEMS

118 There were no agenda items that were classified as confidential.

STRATEGIC ISSUES

Merger Update

119 The Vice Principal Services presented a report on the implementation of the merger which had occurred on 1st February 2018.

120 Governors noted that all staff were now set up on the Southport College payroll system and had been paid through Southport College in February. The HR Task Group was continuing to work on reviewing terms and conditions for existing and new staff, any proposals from which would require consultation with the recognised trade unions.

121 It had been agreed that some HR-related policies should remain separate due to staff transferring to the Southport College Corporation under TUPE legislation. However, where possible, policies would be reviewed and brought together over the next few months.

122 The quality systems of both organisations were now merged and curriculum planning for 2018/2019 had covered the whole College. Work continued to merge the College's IT systems and infrastructure and it was estimated that this would be completed in the early part of the next academic year. KGV staff IT facilities would be transferred to a new upgraded server with additional capacity and other improvements, such as better wi-fi connectivity and a permanent IT link between sites, were in progress.

123 Existing budget systems had been extended to KGV areas of activity, with the appropriate level of staff training provided on the College's financial procedures. It was noted that the Management Information function had been operating jointly since September 2017.

124 In relation to the costs of the merger the Vice Principal Services reported that there had been an overspend of £43K on consultancy fees, which was mainly due to increased legal costs with the complexity of the merger process and negotiation of funding support from the Transaction Unit. This additional expenditure had not been budgeted for and, consequently, the management accounts forecasts would require amendment.

125 Governors were advised of the recent resignations of the Director of Estates & Facilities and the IT Manager. Both individuals had left due to achieving promotions at other organisations. The College Executive Team was currently considering potential options for these posts and would keep governors informed of the outcome.

126 In response to questions about the length of the period during which the merger would be referred to, the Principal/CEO reported that an implementation plan had been devised and was being followed. For marketing purposes there would continue to be two separate brands within the merged College structure.

Work-Based Learning – Review of Activity – Semester 1

127 The Committee received information on progress against the College's apprenticeship targets from September to December 2017.

128 At this point in the year the management accounts forecast for apprenticeship funding was £1.012m compared to the total predicted income of £1.046m and the ESFA allocation of £1.071m.

129 Management felt that the management accounts figure for 16-18 apprenticeships would be exceeded but that the ESFA allocation would not be met due to the allocation for pre-May carry-in apprenticeships being higher than the amount needed to fund those learners. For the 19+ cohort the expected outturn was higher than both the forecast and the ESFA allocation.

130 It was noted that this level of performance was against a national reduction of 45% in the number of starts. Further reports on progress would be made through the management accounts and termly reports to this Committee.

Management Accounts to 31st December 2017

131 The Vice Principal Services presented for information the summary management accounts to 31st December 2017. The Statement of Comprehensive Income indicated an operating deficit of £1072K, which, following adjustments for EBITDA (such as depreciation and pension costs), became a cash based surplus of £204K.

132 Management had now gained a clearer picture of the College's performance in relation to adult education and training and advised that this may be below the identified target, due to the increasing difficulty being experienced by all colleges in spending this part of the budget allocated by the ESFA. The College had attempted to mitigate any potential shortfall through measures such as a January course offer and additional ESOL programmes throughout the rest of the year.

133 At this point in the year the accounts showed that the College was in good financial health, as previously budgeted.

Tuition Fees Policy 2018/2019

134 The Vice-Principal Services presented a revised Tuition Policy on Fees for 2018/2019. Management proposed an increase of 2.75% in higher education fees for full-time programmes and 2.5% for part-time courses and that the Learner Services fee be abolished. It was noted that, due to changes to Government policy, no further changes to HE tuition fees would be possible for the next 2 years.

135 **Resolved -** That the Corporation **be RECOMMENDED** to approve the revised Tuition Fees Policy for 2018/2019

Gill Kelly joined the meeting.

HUMAN RESOURCES ISSUES

Progress Against HR Objectives 2017/2018

136 The Director of Human Resources presented a report on progress against each of the HR objectives for 2017/2018.

137 As reported under an earlier agenda item, the main focus of the pre-merger HR activity had been the transfer of staff under the TUPE procedure and this had been completed successfully. The pay, terms and conditions of staff across the College was under review, with the adoption of any changes subject to consultation with the recognised trade unions

138 In relation to sickness absence levels, the Committee was advised that long-term absence had increased compared to 2016/2017 (1.85% against 1.28%) and that short-term absence had also increased from 1.29% in 2016/2017 to 1.44% in the current year. Both statistics were below the Association of Colleges' benchmarks. Some staff amongst the former group had now left the College and governors were advised that, due to the small number of individuals on long-term sickness leave, any change had a significant impact on the data.

139 Management would continue to monitor sickness absence closely and future reports would include information on KGV's performance in this area. Governors questioned whether the increase in sickness absence was partly attributable to the merger and were informed that the underlying reasons were not connected to this issue, but were mainly due to individual circumstances (for long-term sickness) and a viral infection in relation to short-term sickness absence.

140 Any department with a sickness absence level of over 2% was closely examined to determine any trends and none had been identified to date. A robust procedure was in place to follow up short-term sickness absence, with referral to Occupational Health if appropriate.

141 One of the identified HR objectives was to reduce the ratio of staff costs to income, which was currently at 73% for Southport College but 109% for KGV. The Vice Principal

Services would report the overall figure at the Committee's next meeting. Governors were reminded that one of the key objectives resulting from the merger was to increase learner numbers and to become more efficient, which should have a positive impact on this target.

Union-Management Forum

142 The Committee received for information the minutes of several Union-Management Forum (UMF) meetings held in November and December 2017.

143 At the most recent meeting there had been discussion about the second stage merger, particularly amongst the regional union representatives, and on the post-merger operation of contracts of employment.

144 Governors were advised that, currently, there was no union recognition agreement or any formal consultation body in place at KGV, although there was an informal staff consultative group. Opinions differed amongst the various existing UMF representatives as to how this should be addressed and would continue to be discussed at future UMF meetings.

Annual Staff Development Report 2016/2017

145 The Director of Human Resources presented a report on staff development activities that had taken place in 2016/2017 and planned events for the remainder of 2017/2018.

146 Three cross-College groups had been established to organise and deliver staff training, much of which was undertaken internally. Staff were expected to cascade knowledge from any external courses to their peers. All activities were now being rolled out to KGV staff as well as Southport College employees.

147 Two days of staff development had been arranged for June and would focus on teaching and learning. Governors would be invited to attend as observers.

148 Business support staff development needs were difficult to satisfy in their entirety as these covered such a wide range of areas.

149 In response to questions on differences in training needs between the two cohorts of staff, the Director of HR reported that management was currently reviewing any skills gaps and how these could be filled. Joint working on teaching, learning and assessment and sharing good practice were the main focal points of staff development activity. It was noted that prior to the merger staff from both institutions had received joint training and that it was felt that this had contributed to the recent Ofsted inspection outcome.

150 Governors suggested that the impact of staff development activities should be measured against 'outstanding' colleges in order to drive up performance.

151 The College's Teaching & Learning Strategy had highlighted the need to increase the amount of outstanding teaching, learning and assessment.

152 The Committee questioned why the report had not included information on the impact of staff development on teaching and learning, to determine whether it provided added value. The Director of HR reported that her department collated staff evaluation information

for any training undertaken and that this was fed back to the staff development planning group, so this could be added to the report to the Committee.

153 Performance against targets was considered during the professional development review process and was reviewed collectively by the Quality Improvement Group. Governors requested information on targets set for improving the profile of lesson observation grades, developing the role of the Professional Development Mentors and the impact on learners to be included in future versions of the report.

154 Management acknowledged that there was further work to be done in identifying how staff development supported the improvement of teaching, learning and assessment. This also needed to be measured more effectively to determine the positive impact of training activities.

Gender Pay Reporting Requirements

155 The Committee received for information the outcomes of an analysis of the Gender Pay Reporting for Southport College as at April 2017. This was a legal requirement for employers with 250 or more staff and followed a set format for the publication of data on the College's website and that of the Gender Pay Reporting Service by the end of March 2018.

156 The mean Gender Pay Gap was 8.5% and the median was 4.9%. The proportions of male and female staff in each of the quartiles were as follows:

Quartile	Male	Female
Upper (75-100%)	41%	59%
Upper Middle (50-75%)	32%	68%
Lower Middle (25-50%)	31%	69%
Lower (0-25%)	25%	75%

157 A narrative to explain the outcomes of the process was attached to the report, together with actions that had been identified. It was recognised that some of these issues would only be resolved from looking externally to the College and centred on expectations for career aspirations and development.

158 The College employed more females than males overall but it was noted that for Quartile 4 males were paid 1.89% more than their female colleagues. Management had investigated this result further and had found no anomalies. In certain disciplines, such as Engineering & Construction, there was an inherently higher number of male staff, whereas in Health the reverse was true.

Gill Kelly left the meeting at this point.

HEALTH & SAFETY REPORT

159 The Vice Principal Services presented for information the minutes of the Health & Safety Committee meeting held on 6th November 2017.

160 Governors questioned whether it was sufficient for each of the College's sites to be used as a backup for the other in case of any potential business interruption. Management had undertaken the necessary risk assessment and felt that the precautions in place were adequate at the moment and aligned with the College's risk appetite.

ACCOMMODATION STRATEGY

161 The Committee was advised that proposals for capital works on the Higher Education Centre had now been costed at £700K, which was significantly higher than the agreed budget of £500K. A value engineering process had been undertaken and had produced savings of £30-40K.

162 Approval was sought to proceed to the next stage of the capital project, which involved formal tendering and an application for planning permission. Governors questioned the impact on the grant received from the Transaction Unit and were advised that under the terms of the grant the amount of annual capital expenditure was limited and that any further amounts would be discounted from the performance measures associated with the grant. The Vice Principal Services explained that the College would attempt to manage the overall capital expenditure for 2017/2018 within the original budget, as other projects such as the HE Centre of Excellence and lighting for the sports pitch would not proceed in the current year, with associated savings of up to £120K and the IT rolling replacement programme could also be adjusted.

163 The refurbishment of the reception area at KGV was in line with the allocated budget in terms of cost (£260K).

164 Governors queried the mismatch between the figures outlined in the report and the capital expenditure amount in the Facility Letter with the Transaction Unit, with a total amount of £1.284m. The Vice Principal Services outlined that all the items listed were included in the amount that had been approved by the Transaction Unit together with the addition of the IT replacement programme and general capital equipment (which would be identified through a formal internal bidding process).

165 In response to further questions the Vice Principal Services reported that the timing of the HE Centre upgrade would span two financial years. The Transaction Unit had agreed that, where differences on the timing of such projects could be justified, a degree of flexibility would be permitted. It was possible that some other items of expenditure would need to be reduced to enable the College to remain within the original budget agreed with the Transaction Unit.

166 A grant application had been made to support the works being planned for KGV, but the outcome had not yet been received, so this figure had not been included in the report.

167 The Committee felt that it was important for major projects to proceed and that to postpone the redevelopment of the HE Centre could be seen as a negative consequence of the merger. It was recognised that management had attempted to reduce expenditure, but this was not realistic. Governors could either ensure that the College kept within the original capital allocation and make savings elsewhere or request further, more detailed proposals.

168 **Resolved -** 1 That the Corporation **be RECOMMENDED** to approve that the HE Centre RG Building project proceed to the next stage, with a total budget of £700K

2 That the budget for the KGV Steel Framework and Reception project be approved at £220K

ITEMS TO BE REPORTED TO THE CORPORATION

169 The Chair summarised the outcomes of the meeting and identified the following matters which would be brought to the attention of the Corporation at its meeting on 27th February 2018:

- Management accounts to 31st December 2017 were received for information
- Reports received for information on Post-Merger Issues, Work-Based Learning (Semester 1), HR Objectives and particularly sickness absence levels, Union-Management Forum, Health & Safety
- Staff Development Annual Report for 2016/2017 was received for information
- Tuition Fees Policy for 2018/2019 was recommended for approval by the Corporation
- Information on the College's profile against the new Gender Pay Reporting requirements was noted
- Report received on accommodation issues, which included recommendation of a total budget of £700K for the refurbishment of the HE Centre RG Building.

DATES OF FUTURE MEETINGS

24th April 2018, 2.00 p.m.
26th June 2018, 4.00 p.m.