



**FINANCE, EMPLOYMENT AND GENERAL PURPOSES COMMITTEE
UNCONFIRMED MINUTES**

Date: 6 March 2019
Venue: The Boardroom, City Campus, the Sheffield College
Clerk to the Corporation
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Sheffield, S2 2RL
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Present: Kim Streets, Chair
Jay Bhayani (from 08.40)
Peter Brooks
Angela Foulkes
Beri Hare
Stephan Hollingshead (from 08.40)
Saleem Rashid (from 08.45 until 10.10)

In attendance Kate Platts, Executive Director Finance and Resources
Paul Simpson, Executive Director, HR and Organisation Development
Andrew Hartley, Commercial Director (for agenda item 12 only)
Alison Shillito, Clerk to the Corporation

Action
by whom by when

19/1/01 Welcome and apologies for absence

- 1.1 Apologies for absence were received from Seb Schmoller. The Chair welcomed Peter Brooks, a newly appointed governor, to his first meeting, of the Committee.
- 1.2 The meeting was declared quorate and commenced at 8.30 am. Some members arrived after the start, as noted above, but this did not affect the quorum.

19/1/02 Clerk’s remarks

The Clerk reported that the Confidential Minutes had been omitted from the pack in error and she tabled these for consideration and approval.

19/1/03 Declarations of Interest

The Committee noted Angela Foulkes’ declaration of a standing interest as Chief Executive and Principal of College.

The Chief Executive and Principal (CE/P) and Kate Platts, Executive Director of Finance and Resources (EDFR) in attendance, declared a standing interest as Directors of Sparks Managed Services Ltd, Sparks Solutions Limited and Sparks Teaching Services Ltd, relevant to agenda items 6, 7 and 13. The Committee agreed that the CE/P and EDFR were not required to withdraw for any item but the CE/P would not be counted in the quorum for items 6, 7, and 13 nor would she be eligible to vote. No action was required in respect of the EDFR’s declaration, as she was not included in the quorum nor eligible to vote.

Before his arrival, the Committee considered the standing interest of Saleem Rashid as branch chair of UCU, which represented teaching staff in negotiations on pay and other terms of employment. Those members present agreed that Saleem should withdraw for items 6.1 and 7.2. The

order of business was revised to take these items at the end of the meeting.

19/1/04 Minutes of previous meetings

- 4.1 The Committee approved the public minutes of the meeting held on 14 November 2018 as a true record.
- 4.2 The Committee approved the confidential minutes of the meeting held on 14 November 2018 as a true record with one amendment, the reference to 'legal action' in minute 18/4/5.3 should be corrected to 'legal challenge'.
- 4.3 The Committee approved the minutes of the joint meeting with Audit and Risk Assurance Committee on 3 December 2018 as a true record.

19/1/05 Matters Arising and Action Record

- 5.1 The Committee considered matters arising not on the agenda as follows.

5.2 Minute 18/4/5.3 refers – Lennartz VAT cases

The Committee received an update on the ongoing review of the College's position. The discussion is recorded in a Confidential Minute. As a result of the discussion, the EDFR agreed to seek further views and propose options for governors to review before the end of the current financial year.

EDFR July
2019

5.4 Minute 18/4/12.3 refers: Estates Strategy 2018 - 21

The EDFR reported that work on the Accommodation Strategy was ongoing in parallel with the developing Curriculum Strategy. The Strategy would be brought to the Committee with the new three year plan.

5.5 Minute 18/2/7.3 refers: Management accounts - dashboard access

Members queried progress on making the Committee's KPI data available to members via a dashboard. The CE/P said that the College was still refining the teaching and learning data dashboards to support quality improvement. The focus would switch to FEGP data dashboards shortly and they would be completed for this academic year.

DirF&P June
2019

- 5.6 The Committee noted the updates and agreed that the actions recorded as completed on the tracker and in the meeting should be removed from the action tracker.

19/1/06 Key Performance Indicators (KPIs) update

- 6.1 The EDFR and the Executive Director of HR and Organisation Development (EDHROD) introduced the Key Performance Indicators and the Committee commented as follows.

- **Pay:** the over-spend on pay was mainly due to a forecasting error and was offset by savings in the other budgets. The KPI for staff pay as a percentage of total expenditure was higher than plan but still within sector norms. The challenge for the new budget would be to ensure that the College had the right balance between student facing and other roles.
- **Agency teaching:** expenditure was over budget and this was being challenged in Business Review meetings. Senior managers were pressing for the out-turn figure to be within budget.
- **Staff absence:** was tracking higher than at the same period in 2017/18. The EDHROD said that his team would be reviewing the procedures for managing long term absence.

- **Efficiency measures** – the data on average class size had been added to the KPI sheet. It was lower than it needed to be for efficiency. Senior managers were scrutinising curriculum plans to increase class sizes. Having the information in a dashboard would make it easier to monitor the impact of improvement actions.
- **Go Further Review** – this was the first year of the new review process. Completion rates so far were below where they should be and Business Reviews were picking up non-completion rate.
- **Performance management** - the number of staff on support plans had increased. The process of HR partnering with curriculum staff to ensure the process was operating effectively was working well.
- **Staff grievances** – the number of formal grievances had reduced significantly as compared to the previous year. The EDHROD said that new management structures and new senior personnel had improved relationships. Senior managers were working hard to understand and resolve issues so they did not become grievances.
- **Completion of mandatory training** – completion rate for the Sheffield College staff was very high but the overall rate reflected inclusion of Sparks Teaching Services (STS) staff, the main area of non-compliance. HR staff were working on improving communication with active STS associates and removing associates from the STS workforce who had been inactive for a long period. The EDHROD said that the current systems were not user friendly and the College was looking to purchase a new system that would combine training delivery and tracking completion.
- **Student recruitment** - Adult Education Budget (AEB) numbers were on target with a second round of adult ESOL recruitments in February/March. As 20% of AEB funding was only payable if/when the student passed the course, it was important to achieve high pass rates. The number of 16 – 24 year old learners looked lower than last year but the data more accurately reflected students in regular attendance. The College remained the largest provider of apprenticeships in the Sheffield City Region.

6.3 The Committee noted the report.

19/1/07 **Review of Sparks Managed Services Limited (SMS) and Sparks Solutions Limited Terms and Conditions**

- 7.1 The EDHROD presented the report, which had been developed as a result of the review of the companies. The proposals sought to reflect the Committee's recommendation at its last meeting that there should be equitable treatment of staff in different College entities within the financial constraints of the current three year plan. As a result of the review, the Executive Team had made a number of recommendations to improve terms and conditions where this would have a positive impact and was affordable. The most significant change was the proposal to give SMS and SSL staff additional discretionary annual leave days to cover the College's Christmas closure.
- 7.2 The Committee supported the proposals but noted that the paper did not include STS Ltd staff. The CE/P said that the STS Ltd staff contract and terms and conditions were different - with most associates commissioned for an agreed number of teaching hours in a set period. The review of

STS Ltd was still ongoing.

- 7.3 The Committee noted that the company directors were responsible for determining the terms and conditions of company employees, in consultation with those employees as appropriate. The Committee therefore recommended approval of proposed changes to the relevant company board of directors.

SMS May
and SSL 2019
Dirs

19/1/08 Sparks Teaching Services Ltd: Right to request permanent roles at The Sheffield College

- 8.1 The EDHROD introduced the report which had come about as a result of discussions with recognised trade unions about a broader package of improvements to benefits and rewards given the constraints on pay. It had been mooted that some STS Ltd associates had worked with the College on a casual basis for a long term and would appreciate the opportunity to secure permanent employment with the College, should it be available. In response to this, the Executive Team had developed proposals whereby STS Ltd associates could request a permanent role subject to the following criteria:
- The College needed a permanent employee in a role for which the associate was suitable
 - The associate's teaching and work was judged to be good or outstanding
 - The appointment was affordable within the subject area's budget.
 - where a vacancy arises then the College would look to redeploy associates, where the above criteria were met
- 8.2 It was noted that the College would still need casual and fixed term staff on an agency basis but, for quality reasons, would want to limit this. Feedback indicated the proposed scheme would be attractive to STS associates who were regularly working with the College and were seeking the security of a permanent college appointment. It would enable the College to recruit high performing associates into permanent roles who might otherwise look elsewhere for a permanent role. This would contribute to the College Improvement Plan for ensuring excellent teaching and learning for students.
- 8.3 The Committee approved the proposal in principle and subject to concluding consultation with recognised trade unions.

19/1/09 People update – holiday entitlement

- 9.1 The EDHROD introduced the report, which was presented for approval as part of discussions with recognised trade unions about modernising terms and conditions and improving the staff reward package in an affordable and sustainable way. The proposals sought to align the number of discretionary leave days allowed for staff groups doing the same work but with different entitlements. The discretionary days would be used either for college closures or to reduce the impact of college closure days on staff groups (across the College Group) with the lowest annual leave entitlement, as outlined in the Appendix 1 to the report.
- 9.2 The Committee approved the changes, as summarised in the table in Appendix 1 to the report.

19/1/10 Corporate oversight of expenses on overseas travel

- 10.1 The EDFR presented the report, which had been prepared in response to

a query raised at the Committee's joint meeting with Audit and Risk Assurance Committees on 3 December (minute FEGP/18/5/6.3 refers). The EDFR summarised that most of the expenditure incurred by the College for overseas travel was for student visits.

- 10.2 The EDFR reported that the College had a number of policies for planning and authorising overseas visits to ensure that they are
- sound from a business or academic point of view, depending on the purpose (via the Educational Visits Policy and Business Planning procedure, with all expenditure authorised according to the Financial Regulations);
 - the costs represented good value for money and there were effective controls on allowable expenses (purchase of travel and accommodation via the Senior Procurement Officer; out of pocket expenses refunded within the Travel and Subsistence Policy and advance payments managed via Expenses Advance process)
 - itineraries were safe for participating staff and students (Educational Visits Policy which includes risk assessment and insurance check).
- 10.3 The Committee noted the paper for information and welcomed the assurance the paper and the discussion had provided that the College had effective oversight of expenditure on overseas travel.

19/1/11 **Health and Safety Report Period 6, 2018/19**

- 11.1 The EDFR presented the report, as the member of the Executive Team with responsibility for health and safety and the line manager for the Health and Safety Manager.
- 11.2 The Committee considered the report as follows:
- **Stress** – members welcomed that the Period 6 report included data for stress related absence, in response to the request made at the last meeting. The EDHROD said that in addition to stress management procedures, the College staff well-being group was also working on awareness raising to manage and reduce stress.
 - **Mental health** – a governor mentioned that Rotherham and Barnsley MIND were promoting Mental Health First Aid courses that might be of interest to the College.
 - **First aid** – it was commented that 14 paid first aiders across all sites seemed rather low. The EDFR said that this would be reviewed as part of business planning to ensure that the areas with highest risk of minor injuries had appropriate cover.
 - **Training** – it was noted that the EDFR is undertaking health and safety leadership training leading to the NEBOSH qualification. This would ensure that she has the skills and capability to lead the plans to modernise health and safety in the longer term.

- 11.3 The Committee noted the report.
[Andrew Hartley, Commercial Director entered the meeting]

19/1/12 **Skills Capital Bid: Digital Engineering Skills Development Network**

- 12.1 The Commercial Director attended to present this item, which was confidential due to commercial sensitivity. Some of the discussion is in a confidential minute. The Committee noted that, if successful, the bid would provide capital investment to expand and improve the College's facilities for digital engineering at Olive Grove Centre.

- 12.2 The Commercial Director introduced the paper explaining that
- bidding for capital funding via the Local Enterprise Partnership is the College's only opportunity to secure additional capital funding
 - It is a competitive process.
 - The College has had its Strategic Business Case accepted and its Outline Business Case is being reviewed. If this is accepted, the next step would be to submit a Full Business Case.
 - The Combined Authority would make the final decision about which bids to fund.
- 12.5 The Committee welcomed the update and recommended approval to Governing Body of a delegated arrangement to enable the College to sign off the final bid in the event of the College's proposal progressing to final bid stage and for the Chief Executive and Principal to execute the funding agreement on behalf of the College.
[Andrew Hartley, Commercial Director left the meeting]

19/1/13 Finance Report (Period 5)

- 13.1 The Committee received the report noting that, as per the discussion on KPIs, income was on target but there was a variance on expenditure on pay. The College's cash balances remain in a good position and meet the requirements of its loan agreements.

19/1/14 Fees & Charges Policy 2019/20

- 14.1 The EDFR presented the revised policy, which had been reviewed and amended by a cross-college task team to ensure the rules were fair for all students and consistent with regulatory requirements. It was noted that, in response to the Committee's request, the updated policy had been brought to the Committee earlier in the Cycle of Business than previously. This would enable the 2019/20 Policy to be approved and published well in advance of the new college year.
- 14.2 The Committee noted that the key changes from the previous year's policy were:
- Charging AEB fees in accordance with EFSA guidance;
 - Providing additional clarity around what tuition fees include;
 - Confirmation of what help the College provides to students to secure funding for their study;
 - Providing additional clarity around processes including debt recovery, additional costs where fees are owing
 - Additional guidance on the financial implications of course transfer; and
 - Offering staff who undertake PGCE courses 50% fee remission.
- 14.3 The Committee agreed that the changes proposed were in line with external requirements and the principles previously approved by Governing Body. There were no implications which might justify referring the updated policy for approval by full Governing Body and therefore the Committee resolved to approve the amended policy. The EDFR agreed to publish the 2019/20 Policy as soon as possible.

EDFR March
2019

19/1/15 SMS/SSL: Review of risk

- 15.1 The EDFR and EDHROD presented the report, a review of the risks to the College that might crystalize in the event of a College subsidiary

company becoming insolvent. The report had been prepared to complete an action in response to an Internal Audit recommendation from 2015/16.

15.2 The Committee noted the following

- the solvency of the subsidiary companies rests on the College's ability to pay the companies for the services they provide under a service level agreement.
- any proposal to transfer supply of services from a College group company to another provider would be a significant change and a matter for the Committee and possibly full Governing Body to consider, either as part of setting the budget or for contract approval to transfer undertakings.
- The College already actively monitors risks that might pose a threat to its continued solvency via the Risk Register. The EDFR and EDHROD recommended that there were no additional steps required to manage the risk of closure of a subsidiary company.
- The College is an inter-company creditor of SSL and therefore were SSL to become insolvent then the College would have to write off that debt.

15.3 The Committee noted the review and welcomed the assurance and clarity it provided.

19/1/16 Waivers of Financial Regulations

16.1 The Committee noted that there had been no waivers granted since the last meeting.

19/1/17 Bad Debt Write-Off

17.1 The Committee noted there had been no debts written off since the last meeting.

19/1/18 Private Meeting

The Committee moved into private session to consider the Strictly Confidential papers. These were sensitive at the time of the meeting as the proposals had to be agreed with the Committee prior to wider discussion.

[Saleem Rashid withdrew from the meeting]

19/1/19 Definition of the Purpose of Sparks Managed Services Limited (SMS) and Sparks Solutions Limited (SSL)

19.1 The EDHROD presented the report, which had been developed in response to the Committee's request for a review of the continued purpose of and need for the College's subsidiary companies. The discussion of this item is recorded in a confidential minute.

19.5 The Committee approved the proposals and recommended that the directors of the companies proceed to consultation.

19/1/20 Pay Award: 2017/18 and 2018/19

20.1 The EDHROD presented the report which followed on from confidential discussions at the meeting on 14 November 2018. There had been further discussions with Recognised Trade Unions (RTUs) to settle the pay claims for 2017/18 and 2018/19. The discussion of this item is recorded in a confidential minute.

19/1/21 Review of the meeting and closing remarks

21.1 The Committee reviewed the meeting and commented:

- Work on the KPIs was giving the Committee richer data to enable members to monitor the College's position.
- Balance of Committee time spent on the People section of the agenda was welcomed. The Committee had been asking for the balance between financial and people matters to shift in favour of people matters for some time and members warmly welcomed that this change was now happening and the impact of the new EDHROD.
- The Chair thanked the Executive Team for their work on the data and reports and Peter for his contribution during the meeting.

19/1/22 Date of next meeting

Wednesday 1 May at 8.30 am in the Board room at City Campus