



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

Date: 14 November 2018
Venue: The Boardroom, City Campus, the Sheffield College
Clerk to the Corporation
Granville Road
Sheffield, S2 2RL
Tel: 0114 260 2620
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Present: Kim Streets, Chair
Angela Foulkes
Jay Bhayani (from agenda item 3 onwards)
Beri Hare
Stephan Hollingshead
Saleem Rashid (from agenda item 5 onwards)
Seb Schmoller

In attendance Kate Platts, Executive Director Finance and Resources
Paul Simpson, Executive Director, HR and Organisation Development
John Gray, Marketing Director (for agenda item 8 only)
Alison Shillito, Clerk to the Corporation

Action
by whom by when

18/4/1 Apologies for absence

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.

18/4/2 Clerk's remarks

The Clerk reported that some papers were marked as 'Strictly Confidential' as they related to staff pay and conditions (agenda items 6, 12, 16 referred). These papers had not been circulated to the staff governor as it appeared to the Clerk that under the Governing Body standing orders the staff governor was conflicted in these matters due to his standing interest as a union official representing College staff in negotiations on pay and conditions and should withdraw from that part of the meeting where those items were discussed. The Committee would determine whether to confirm this action or otherwise.

18/4/3 Declarations of Interest

The Committee noted Angela Foulkes' declaration of a standing interest as Chief Executive and Principal of College. She also declared a standing interest as a Director of Sparks Managed Services Ltd, which was relevant to agenda item 16. The Committee agreed there were no agenda items that might require Angela to withdraw from the meeting but she would not be counted in the quorum for item 16 and would not be eligible to vote, should this be required.

Seb Schmoller declared a standing interest as a member of the board of NOCN, one of the College's awarding bodies. The Committee agreed there were no agenda items that might require him to withdraw and no action was required on this declaration.

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. Beri Hare moved a proposal under Standing Order 13.4.4 that and it was agreed by a show of hands that Saleem should withdraw for items 6, 12 and 16. The order of business was revised to take these items at the end of the meeting.

Kate Platts declared an interest in item 16 as a directors of Sparks Managed Services Ltd. The Committee noted the interest and agreed no action was required as Kate is an officer of the Committee and is not included in the quorum or permitted to vote.

18/4/4 Minutes of the meeting on 3 October 2018

The Committee approved the minutes of the meeting held on 3 October 2018 as a true record.

18/4/5 Matters Arising and Action Record

5.1 The Committee considered matters arising that were not on the agenda as follows. Some of the discussion is recorded in a separate confidential minute.

5.2 Minute 18/2/6.4 refers: External URLs in policies

The Committee noted that this action was relevant to a number of College policies and the Executive Director of Finance and Resources (EDF&R) had asked the IT Manager to propose a solution that could be used for archiving the external urls for all policies. The Committee agreed to adjust the action deadline to March 2019 to give the Executive Team an opportunity to develop and pilot an archive solution.

EDFR March
2019

5.3 Minute 18/3/5.2 refers: 'Lennartz' VAT case

Discussion recorded in a confidential minute.

The Committee asked the EDFR to consider the options with the College's VAT adviser and its auditors and keep the committee informed if the College is proposing to take legal action.

EDFR Jan
2019

5.4 Minute 18/3/13.3 refers: Financial Regulations

The EDFR reported that the action to publish the Financial Regulations was pending awaiting a final cross-check to ensure the provisions are consistent with the revised Standing Orders. The Committee agreed to revise the deadline for this action to the end of November 2018.

EDFR/
Clerk Nov
2018

5.5 Minute 18/3/14.3 refers: Modern Slavery and Human Trafficking Statement

The EDFR reported that she was in the process of updating the statement and this would be completed and published on the external website shortly. The Committee agreed to revise the deadline for this action to the end of November 2018.

EDFR Nov
2018

5.6 Minute 18/1/11 refers :Estates Strategy

The Committee noted that is item was on the agenda and covered all the property available for the College to occupy but it did not include a conclusive list of all property interests held by the College, as requested by the Committee. There would be a cost to producing this list as it would require external searches of the land registry to update the register which had last been updated in 2015. The Committee agreed that updating the register would be useful and agreed to revise the deadline for this action to January 2019.

EDFR Jan
2019

5.7 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. The Clerk agreed to edit the tracker to remove actions that were reiterations or had been superseded by later decisions.

Clerk

Nov
2018

18/4/6 Key Performance Indicators (KPIs) update

6.1 The EDFR introduced the Key Performance Indicators and the Committee commented as follows.

6.2 **Use of 'targets' in connection with negative incidents:** members recommended that the College should not have targets for sickness absence and accidents but should aim to reduce these compared to previous years and/or sector benchmarks where available.

RIDDOR accidents: the number of incidents was higher compared to the same point in 2017/18. EDFR said she was ensuring that each incident was followed up to avoid re-occurrence of the same issue. Incidents tended to be higher in the autumn term as there were many new students in the College's workshops and kitchens. There were no common factors linking the incidents.

Staff sickness absence rate: the rate quoted seemed low, compared to the sector data available. The Executive Director of Human Resources and Organisation (EDHR&OD) said there may be an issue with under-reporting. There had been feedback that staff experienced difficulties in getting through to switchboard first thing in the morning to report – the recommended reporting route – and may have used informal routes instead. The process was being reviewed.

Training: there remained issues with completion rates for mandatory training by staff. The EDHR&OD said that the newly appointed Head of Safeguarding was devising some different training packs including face to face training for staff who found it difficult to access online training. The Committee asked whether the issue of paying subsidiary company staff to undertake mandatory training was a factor in completion rates being below target. The EDHR&OD said that most SMS Ltd and SSL Ltd staff were able to complete training in work time but many SMS staff did not use PCs in their work so needed training delivered in a different way. STS Ltd zero hours and hourly paid staff were not currently paid for undertaking mandatory training. As well as an initial cost for paying active associates to complete training, there would be an ongoing cost of refreshing training. Senior managers were considering appropriate, fair and costed policies for this and would present this as part of the review of STS Ltd (already scheduled on action tracker).

Staff turnover – it was noted that staff turnover (all staff) was below sector benchmark. Members asked if there was any feedback from exit interviews about reasons for staff leaving, particularly those leaving within 6 months of starting. The EDHR&OD said that completion of exit interviews was down to an individual's choice; there was, therefore, a proportion of non-completion and there were no clear patterns emerging from those that were completed. The College might be able to collect more quantitative data using an online form, with a face to face interview as an option for following up where appropriate. This was one of the processes that HR would be reviewing in 2018/19.

Learner recruitment – this discussion is recorded in minute 18/4/8, below.

6.3 The Committee noted the report and asked the Clerk to ensure the report was printed on A3 in future.

Clerk

Nov
2018

18/4/7 Data Protection Officer's Annual Report 2017/18

- 7.1 The EDHR&OD presented the first annual report of the Data Protection Officer.
- 7.2 The Committee commented that the report was clear. It was reassuring to see the data security breach log being actively maintained and that even minor breaches were being reported and logged. Members asked how staff were being made aware of the need for reporting such incidents as breaches. The EDHR&OD said that as well as providing staff training, the Data Protection Officer provided regular all staff communications with case studies to raise awareness. This was in addition to the cycle of audits and follow-up to ensure that staff were adhering to the Data Protection Policy in their work areas. He had recently completed further training and would be using the lessons learned to develop improved staff training packages for different groups.
- 7.3 The staff governor, declaring his interest as a union officer, asked if the College was satisfied that it could rely on its privacy policy as the legal basis for using electronic door access data as evidence in internal staff procedures. The Chair ruled that the staff governor was conflicted as the question related to a matter of discussion between the College union member(s) and College managers. The question should be raised in an appropriate forum outside the meeting.
- 7.4 The Committee noted the report for information.

18/4/8 Marketing and Recruitment Update

- 8.1 The Director of Marketing presented the report commenting that recruitment was largely on track other than higher education. There were also some concerns that withdrawals from 16-18 study programmes would reduce the numbers in the report and therefore 16-18 recruitment was RAG-rated as amber.
- 8.2 The Chief Executive and Principal commented that although apprentice recruitment looked strong for the first quarter, the College was rating it as amber. This was because the College had been allocated only around a third of its application for the non-levy apprenticeship growth funding. The College was already starting to turn away potential apprentices (who continue being 'not engaged in education, employment or training' – NEET) because the College has already used up its allocation of non-levy funding. Levy-paying employers were not affected by this but it did affect SME employers, who are over-represented in the Sheffield City Region economy. The College has been successful in trying to engage with SMEs so this is a limiting factor in the College's growth strategy as well as being detrimental to potential learners in our communities.
- 8.3 The Chief Executive and Principal said that she had already raised this with Margaret Cobb of the ESFA and the Commercial Director to see if there was any scope for additional funding. The ESFA October reconciliation of funding allocated to actual apprentice enrolments might result in release of additional funding but last year this had been allocated to Adult Education Budget provision rather than apprenticeships.
- 8.4 The Committee noted that the Commercial Director would be drafting a detailed communication to make sure that local MPs, the Mayor and the Local Enterprise Partnership were all aware that the College cannot provide the apprenticeships that SME employers want and people in our communities need because of the constrained funding for non-levy

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apprenticeships.

- 8.5 The Committee welcomed that the College had reinstated a mandatory process of applicants attending taster courses and interviews for all areas. This seemed to have ceased to be routine sometime before 2014/15. The Deputy Chief Executive commented that this was part of learners' careers guidance entitlement and would reduce the amount of movement between study programmes in the first term by more accurate pre-assessment of suitable course and starting point.
- 8.6 The Committee noted the report and members endorsed the need for more lobbying for non-levy apprenticeship funding and agreed to support future lobbying activities, if that would be useful.

18/4/9 Finance Report (Period 2) and Autumn Term Re-forecast

- 9.1 The Committee received the report noting that the Finance KPIs had contained more up to date financial information than provided for this agenda item. Early October was too early in the year to be a basis for a re-forecast.
- 9.2 The Committee asked the Clerk to review the timing of the first quarter's finance reports in the cycle of business for 2019/20. It was recommended that agenda planning for the Governing Body meeting schedule for 2019/20 should commence in January/February 2019, although there might need to be further adjustments as the Committee worked through its first year using the current cycle of business.

Clerk Feb
2019

18/4/10 Report on Students' Union Accounts for year ended 31 July 2018

- 10.1 The Committee received the report, noting that Governors had a legal responsibility, under Education Act 1994 s. 22, to maintain adequate and effective oversight of their students' union, including the responsibility to ensure that the financial affairs of the union are properly conducted.
- 10.2 Members asked if the Sheffield College Students' Union could be affected by the financial problems being reported about the National Union of Students. The EDFR advised that the College Students' Union as an associate member of NUS derives a proportion of its income from the sale of Totum cards. If the restructuring at NUS included cuts in the share of Totum income allocated to associate members then this would have a negative impact on funding for 2019/20. The College Executive was already expecting a reduction in income for 2018/19 as sales of Totum had not been as strong this year as in previous years.
- 10.3 The Committee noted the report and was assured that there were effective measures in place for oversight of the Students' Union financial affairs.

18/4/11 Draft Report and Financial Statements for year ended 31 July 2018

- 11.1 The Committee received the first draft of the Members' Annual Report and Financial Statements and commented that it was clear and well presented. Members were also happy that the narrative in the report included a strong statement of the Corporation's public mission.
- 11.2 Members agreed to provide any notes or queries on the draft to the EDFR to assist her in finalising the report and asked if she expected any significant changes to the numbers. The EDFR said she would be meeting the Financial Statements' auditors shortly to update the draft. There were some notes to be added on internal controls and introduction of new legal requirements.
- 11.3 The EDFR reported that the College had signed the letter of variation for

its loan facility with Barclays Bank and was awaiting advice from lawyers on executing the letter of variation for the AIB loan facility. Once the AIB letter had been agreed, the treatment of the College's loans in the accounts would be confirmed as long term credit.

- 11.4 The Committee noted the draft report and congratulated the Chief Executive and Principal and EDFR on rebuilding the College's relationships with its banks and securing waiver and restatement of covenants attached to the College's long term loan facilities.

18/4/12 Estates Strategy 2018-21

- 12.1 The EDFR introduced the report explaining that the space utilisation data presented related to teaching rooms % rate represented timetabled occupancy (number of sessions and number of learners timetabled in each class for the timetabled week) as a percentage of maximum capacity multiplied by the total number of timetabled sessions available. The data did not take into account registration data (actual attendance at sessions) which would reduce the % utilisation.

- 12.2 The Committee considered the report as follows:

- i) It was noted that statistically, Peaks had the lowest utilisation rate, however, given the different sizes of the sites, Hillsborough had the highest area of under-utilised space. That space was potentially an overhead that was a drain on resources unless it was efficiently managed and being used effectively asset to attract and retain students and staff, promote better student learning and support the College growth strategy.
- ii) The ESFA was in the process of reviewing utilisation across the sector to establish if colleges had unused property that they should be selling to help shore-up finances. The College would be completing this return in December and believed that it would need its current estate to meet current and future demand but that estate would need to be used differently with changes to the curriculum, increase in students learning outside the college in work experience and apprenticeships.
- iii) The Chief Executive and Principal said that the College Improvement Plan included objectives for maintaining and improving the Estate so that it better supported learning and teaching. The next step was an accommodation strategy that also supported the College's growth plans e.g. changes to create dedicated, more suitable learning spaces for sixth form, Academic Studies and HE. There would also be the opportunity to rethink provision at Peaks Campus to ensure it create attractive options for the growing young population in nearby townships, who would be turning 16 and looking to progress to sixth form, college or apprenticeships in the early 2020s.
- iv) The Committee queried whether the Governing Body had governors with sufficient expertise in property development and facilities management and suggested that Search, Remuneration and Governance should consider this in it next round of recruitment.

- 12.3 The Committee noted the report and its importance in starting the work on creating an accommodation strategy that supported the College's ambitions. The Committee asked the Executive Team to consider this further following the submission of the ESFA strategy and looked forward to receiving its next update in March 2019.

EDFR March
2019

18/4/13 Waivers of Financial Regulations

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

18/4/14 Bad Debt Write-off

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

18/4/15 Committee Self-Assessment 2017/18

- 15.1 The Clerk presented the report explaining that she had made the changes to the draft report recommended at the October meeting.
- 15.2 The Committee approved the report for submission to the Audit and Risk Assurance Committee as evidence for its Annual Report.
[At this point, Saleem Rashid withdrew from the meeting]

18/4/16 Staff pay award 2018 – 19

The discussion of this item is recorded in a separate confidential minute.

- 16.5 The Committee recommended approval to Governing Body of the Executive Leadership Team's proposals for proceeding with negotiations with recognised Trade Unions once negotiations on the 2017/18 pay award had been concluded.

18/4/17 Pensions statement

- 17.1 The Committee received the strictly confidential report and noted that the Teachers' Pension Scheme had been revalued and the Department for Education was in the process of consulting on changes including a significant increase in the employers' contributions. Once the increase had been confirmed, the College would review the impact on next year's budget and three year plan.

18/4/18 Options appraisal of subsidiary companies

The discussion of this item is recorded in a separate strictly confidential minute.

- 18.6 The Committee approved the recommendation that the Executive Team should undertake further work to scope and cost a detailed proposal.

18/4/19 Any other business: senior staff changes

The discussion of this item is recorded in a separate strictly confidential minute.

18/4/20 Review of the meeting and closing remarks

- 20.1 Members complimented the Chair on the timing of the meeting and that all the business of a relatively heavy agenda had been completed within the time provided.

18/4/21 Date of next meeting

Monday 3 December 2018 at 8.30 am (Joint meeting with Audit and Risk Assurance Committee)