



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

Date: 22 June 2022

Venue: Boardroom, City Campus, The Sheffield College

Present: Peter Brooks (Chair)
Angela Foulkes
Beri Hare (by videoconference)
Paul Senior

In attendance: Andrew Hartley, Executive Director Commercial and Operations
Alison Shillito, Governance Advisor and Clerk to the Governing Body.
Paul Simpson, Executive Director People

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**Action
by whom by when**

22/3/1 Welcome, introduction and apologies

- 1.1 The committee received apologies from Stephan Hollingshead and therefore Peter Brooks, Deputy Chair, agreed to chair the meeting. Apologies were also received from Holly Anderson, Novaya Bedward-Makanjuola and John Mothersole (members) and Martin Harrison, Executive Director Finance.
- 1.2 Members noted that agenda item 8, Draft Budget 2022-23, had been circulated after the agenda and other papers. Members confirmed that they had received and read the additional report.
- 1.3 The Chair reported that a presentation on the results of the recent Employee Engagement Survey 2022 had been scheduled at the beginning of the meeting in case any members of Teaching, Learning, Quality and Student Experience Committee wished to join the meeting by videoconference for that item. The Chair of TLQSE was present as a member of FEGP.

22/3/2 Employee Engagement Survey 2022

- 2.1 Paul Simpson, Executive Director People (EDP) presented the results of the survey that had run for three weeks in April and May 2022. The number of staff participating was below that recorded in 2021 but was a good sample on which to base opinions and devise actions. The main points highlighted were:
 - There was an overall decrease in the headline agreement rate compared to the 2021 results, but the 2022 agreement rate was higher than pre-pandemic (2019 survey).

- Analysis of the data by protected characteristic showed some gaps in the agreement rates between different groups. The college had convened focus groups to explore the reasons for this by group and what actions might improve satisfaction for groups that tended to have lower satisfaction ratings.
- There had been improved satisfaction in certain professional services teams compared to previous surveys. However, the increase in teaching staff satisfaction recorded in 2021 had decreased while still significantly above the 2019 score.
- For teaching staff, there seemed to be a correlation between lower agreement ratings and faculties with lower student outcomes.
- The college actions included focusing on
 - o **equality and diversity** by engaging with groups to address agreement gaps,
 - o **communication**, following up comments on frequent issues raised in free text comments and a pulse survey planned to identify the issues causing most dissatisfaction,
 - o **workload**, which senior managers were addressing directly in the new curriculum structure, email training and continuing work on systems to improve user experience.

2.2 The committee considered the analysis of the results and the main points discussed were as follows.

Agreement gaps by job role, members wanted assurance that the gaps in agreement ratings between different job roles were being addressed. It was expected that executive and senior leaders would have higher agreement ratings than other staff but the gap between managers and teaching staff was significant and had increased. Managers should consider what was driving their higher satisfaction and see how those features could be shared with their teams.

Impact of lower staff satisfaction on students, a member noted that some of the areas with lower agreement rates also had lower student achievement rates. The EDP said there was not a consistent correlation but devising and implementing local action plans to improve satisfaction would be considered as part of quality improvement and business review processes.

Line manager support, for some time the college had been investing in dedicated team time for managers to lead, develop and motivate staff and members expressed disappointment that some staff were saying in the survey that their manager did not have time to spend with them. Effective and regular one-to-one meetings could have a big impact on staff satisfaction and positive work culture. Follow-up action needed to ensure that one-to-one meetings were happening and were having a positive impact, particularly in areas with lower student outcomes. The Chief Executive and Principal (CEP) said that too many curriculum staff were giving feedback that they did not see their manager enough. For 2022-23, the approach to team time was changing to make it easier for managers to schedule team and individual staff meetings. The new curriculum structure included

new roles to increase manager capacity to spend time with staff. It was also notable that some areas with lower satisfaction had been finding it hard to recruit technical specialists and vacancies had resulted in larger group sizes and less manager time for staff. It was commented that a strong leader/manager would not necessarily need to be a technical specialist to have a positive impact by providing individual meetings, raising morale and coaching staff.

Workload, a member asked how the college measured workload to ensure fairness. The CEP said that for teaching staff it was based on class contact hours but negative comments about workload tended to be about teachers' administrative tasks such as logging attendance, assessment and progress monitoring.

Further pulse surveys, it was commented that exploring the reasons for dissatisfaction should not delay action on those issues that had come through in free text comments as needing to be addressed such as improving staff experience of regular 121 meetings.

- 2.3 The committee received the presentation and looked forward to receiving an update on the actions and their impact on staff and learners including the issues raised in the meeting

ACTION: in following up survey results and agreeing actions, consider the following.

EDP

15/9/22

- a) Consider why managers are more satisfied than the staff they lead and how the causes of higher satisfaction can be used to address dissatisfaction.
- b) In inducting staff to new manager/leadership roles ensure that the importance of 121 time with staff is sufficiently emphasised and managers understood how to use that time most effectively.
- c) Pay particular attention to ensuring effective team/faculty action to improve satisfaction where lower agreement ratings coincide with lower student outcomes.

21/3/3 Declarations of interest

- 3.1 The committee noted:
- CEP's standing declarations as a member of senior staff and a director of the college's wholly owned subsidiary companies. The committee agreed that no action was required.
 - Paul Senior declared an interest in item 5, subcontracting update, as a trustee/director of Sheffield Wednesday FC Community Programme, one of the college's subcontractors. Paul was not required to withdraw as there was no decision related to SWFCCP.

22/3/4 Minutes of the last meeting

- 4.1 The committee confirmed the minutes of the meeting held on 23 March 2022 as a true record.

22/3/5 Matters Arising & Action Record

- 5.1 The committee considered matters arising from the last meeting and action tracker items and noted that all actions in progress were considered elsewhere on the agenda, apart from an update on the post-implementation review of capital projects, which had been omitted from the board pack in error.
- 5.2 The Clerk agreed to circulate the report for members to comment on and recommend approval to the Governing Body (GB).
- 5.3 The committee received the action tracker, agreed that it included all matters arising from the last meeting and approved the removal of actions reported as completed.

ACTION

Circulate the Estates Capital Projects report by email and ask members to comment on the report outside the meeting prior to submitting the report for GB approval.

Clerk 6/7/22

[Post meeting note: the committee received the report and recommended it for approval, with the comment that members would like to receive more information on the reasons why the fit-out of Pennine 5 went over-budget and steps to manage this risk for future projects.]

22/3/6 Subcontracting Policy 2022-23 and update

- 6.1 Andrew Hartley, Executive Director Commercial and Operations (EDCO) presented the annual update on the college's subcontracting activity, the annual review of the Subcontracting Policy and the results of the annual audit of subcontracting.
- 6.2 The committee discussed the report and the main issues were as follows.

Adult Education Budget 2022-23, members noted that the initial allocation from the devolved authority (South Yorkshire Mayoral Combined Authority – SYMCA) was lower than for 2021-22. The college had submitted a business case for additional funding, which would be needed to support the full range of AEB activity some of which was provided by specialist subcontractors. The college was awaiting the outcome of the bid and had advised subcontractors of the issue to help them plan for 2022-23.

Subcontracting Policy 2022-23, the changes were relatively minor. Members noted that the ESFA was expected to propose a new subcontracting standard in 2022-23. The college was planning to apply for recognition as meeting the new standard in the first half of 2022-23.

Subcontracting Audit 2021-22, Macintyre Hudson had completed the audit and issued the certificate as required by the ESFA. The committee noted the audit recommendation and the action being taken to strengthen financial due diligence for subcontractors rated as “medium” risk.

- 6.3 The committee received the report and members were assured that the college was managing its subcontracting relationships in

line with the rationale approved by the GB while paying strict attention to both the quality of subcontracted provision and the experience of students being taught by subcontractors.

- 6.4 The committee approved the revised Subcontracting Policy, as presented with the report, on behalf of the Governing Body and were assured by the findings of the Subcontracting Audit.

ACTION

Publish the updated policy, sign off the certificate of assurance and transmit the certificate and audit report to the ESFA by the deadline

EDCO 31/7/22

22/3/7 People update

- 7.1 The EDP presented the update including performance against Key Performance Indicators (KPI) for Period 9 and highlighted the following issues
- **Recruitment**, the college was not experiencing the severity of recruitment issues being reported by some colleges, but vacancies left unfilled were having an impact on staff satisfaction and learner outcomes, as discussed in relation to the Employee Engagement Survey. The college had a Market Forces Pay Policy, which was considered when trying to attract suitable technical specialists to train as teachers.
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 - Some colleges were strengthening their recruitment team to cope with higher turnover and additional search duties. TSC was responding by being more creative in using social media to promote vacancies and was also considering the size of the recruitment team.
 - **Absence**, the new policy was having a positive impact on managing short term absence but there was more work to do on preventing long term absence by supporting staff reporting stress or mental health issues before it resulted in long term absence.
- 7.2 Members considered the report and the main issue discussed was the pay award. The EDP said that managers awaited the unions' response to the offer. The college had made the best offer it could afford in the context of the budget presented to the committee. The offer would give staff on the lowest pay, the highest percentage uplift on a sliding scale. Executive leaders had been open with trade unions about the college's financial constraints but with the headline rate of inflation nationally exceeding the college's pay offer, local unions had not recommended the offer to their members.
- 7.3 The committee received the report and welcomed the college's success in being reaccredited as a Disability Confident Leader.

22/3/8 Finance update

- 8.1 The committee received the report prepared by the Executive Director Finance (EDF) on the college's performance against finance KPI at Period 9 and the forecast outturn position.

- 8.2 The committee considered the report and the main issues discussed were:

Office for National Statistics review of the classification of FE colleges, this would potentially have an impact on loan planning and ability to enter into new loans to fund the Estates Strategy. It was agreed to pause agreeing definite plans on existing loans while the reclassification exercise was in progress but planning should continue so the college was ready to respond with different options.

Finance Team, the committee noted that there were vacancies and turnover in the finance analyst role was slowing down progress on systems work that would improve reporting. This was disappointing but the improvement in staff satisfaction in the team was welcomed.

Period 9 forecast, it included that the college would deliver its full allocation of AEB in 2021-22. It was noted that the SYMCA did not provide a “tolerance” threshold for under-delivery of AEB. Members challenged the confidence level in the 100% forecast given the actual level at P9. The CEP said that confidence in the forecast of 100% delivery was based on activity being delivered or subcontracted in the final quarter. Managers understood that the outcome of the business growth case for 2022-23 could be affected if the college did not fully deliver the allocation for 2021-22. They were taking action to ensure full delivery and this was recorded on the risk register.

Reserves Policy, members welcomed the first draft and suggested that the policy should be more focused on the principles by which the Governing Body set an appropriate level of reserves with an appendix for the detail on the factors that led to the calculation of the annual reserve which would be particular to the college’s finances at the time. The committee agreed that they would welcome a view from the Chair of FEGP and external auditors on the proposed principles for setting a reserve.

- 8.3 The committee received the report and agreed the following.

ACTION: seek comments from the Chair of FEGP and new External Auditors on the core principles for a suitable Reserves Policy for the college. Bring the updated and streamlined draft to the September meeting for approval unless approval is needed before the end of this financial year.

Clerk/
Chair 29/6/22

22/3/9 **Draft Budget 2022-23**

- 9.1 The Chief Executive and Principal introduced the proposed budget for 2022-23 for the committee to consider and advise the GB.
- 9.2 Members noted that the budget was based on the outcomes of the period 9 business review and business planning meetings. Income lines had been developed with curriculum leaders based on their assessment of the prospects for recruitment, internal progression and retention in 2022-23. Members commented on the sensitivity testing of the forecasts and the main points discussed were:

Income: the meeting had discussed the level of confidence in AEB income for 2022-23. The CEP said that the 2022-23 budget was optimistic about the college's prospects of success in achieving a similar allocation for 2022-23 but in other respects the income lines were cautious and did not include bids in progress. The main areas of risk were tuition fee receipt for higher education and from adult learner loans because the economic situation made it difficult to predict how adults would behave

Inflation, the budget had added significant inflation for utilities and consumables for training in catering, construction, hair and beauty. Students needed materials to train so the college would need to cope with price increases but budgets would need to be managed very closely at operational level to reduce waste and find best value for money.

Sensitivity analysis, members asked how far the provisions for Covid-19 remained relevant in 2022-23. The EDCO said that the college was maintaining a higher standard of cleaning which came at a cost. It seemed unlikely that the government would implement a full lockdown and the Executive would review those aspects of the narrative for relevance.

Apprenticeships, the risks remained high for apprentice recruitment being adversely affected by a lack of business confidence and variable candidate pool. The EDCO said that this was mitigated by controls over filling vacancies and use of agency staff to keep costs in line with income.

ESFA Governor Dashboard, the committee noted the dashboard. There was a lot of information to digest but the headlines gave members confidence that the college was adept at managing the risks where income was not fully realised.

- 9.3 The committee was assured that the draft budget presented was realistic and prudent and agreed to recommend approval to the Governing Body subject to the following actions.

ACTIONS

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| a) review the Covid-19 risks in the draft to check that they accurately reflect current risks, update as appropriate, | EDF | 1.7.22 |
| b) update income lines to reflect outcome of bids for additional funding and grants | EDF | 5.7.22 |
| c) ask the Chair of FEGP his view of the draft and his comments or queries, | Chair/
Clerk | 23.6.22 |

22/3/10 Health and Safety update

- 10.1 The EDCO introduced the report noting that since drafting there had been a reportable accident at Hillsborough campus. It was also noted that Covid-19 cases amongst staff were rising, albeit from a low level and Public Health England was warning of the risk of a serious flu outbreak in Autumn 2022. The risks were identified on the risk register and the Health and Safety Team were implementing mitigating actions such as raising awareness of flu vaccination.

- 10.2 The committee considered the report and the main issue discussed was the latest Fire Risk Assessment and completion of the actions raised in the 2021 assessment. The EDCO said that there had been 55 lower priority actions still in progress from the 2021 report and all but 2 of these had been included in the actions identified in the 2022 follow-up. Most of the actions were linked to staff behaviour – propping open fire doors, inappropriate storage of combustible materials – and the Health and Safety Team would be working with managers to educate staff and change their behaviour. A member commented that some of these actions were in the nurseries, which caused additional concern because of the risk to babies and young children who were not able to take care of their own safety should an incident occur. The EDCO said that where possible, staff had already addressed issues or introduced additional mitigating actions while they planned the works to correct any estates issues.
- 10.3 The committee also discussed what training in leading on Health and Safety was provided to governors. The clerk said that like all members of the college, governors were asked to complete fire prevention training. Members agreed that some training for FEGP members would be useful in supporting the committee to fulfil its responsibilities.

- 10.4 The committee received the report and agreed the following

ACTIONS

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|------|--|-----------------------|---------|
| (i) | plans to address the actions in the Fire Risk Assessment to be agreed at pace, prioritising completion of high priority actions and any actions needed at college nurseries as quickly as possible | EDCO | 31/7/22 |
| (ii) | develop proposals for appropriate training for FEGP members to fulfil their role in providing board level leadership on health and safety. | Clerk/
Head
H&S | 1/9/22 |

22/3/11 Committee Self-Assessment 2021-22

- 11.1 The Clerk presented the first draft of the committee self-assessment for 2021-22. Members commented that they were satisfied with timely receipt of papers and agreed that the committee had fulfilled its remit. There had been continuous development during the year in reports being RAG rated and more focused on the most important information for governors. Agendas remained very busy, with developments in finance, health and safety and the increased scrutiny of sustainability and environmental issues. However, grouping related reports under a single summary cover sheet had aided the committee in maintaining its focus at strategic level and had saved time for report authors.
- 11.2 The committee approved
- the draft FEGP Committee self-assessment, as presented.
 - The FEGP Committee work plan for 2022-23, subject to a check against the policy register to ensure that policies due for periodic review were included and

- A recommendation to GB that the FEGP Terms of Reference should continue unchanged for 2022-23.

22/3/12 Review of meeting and closing remarks

- 12.1 Members commented that it had been an effective meeting, because.
- There had been a strong focus on the impact on students, particularly in considering the results of the employee survey, the People and Budget reports.
 - Senior management had provided reasonable assurance on the forecast outturn for 2021-22 and budget planning for 2022-23.
 - Areas for further assurance were responding at pace to the most pressing issues in the feedback from the employee survey and latest fire risk assessment.

22/3/13 Proposed dates and times of next meetings

21 September 2022 08.30 – 10.30
23 November 2022 (joint with ARAC) 9.30 – 11.00
15 March 2023 08.30 – 10.30
28 June 2023 08.30 – 10.30