

FAREHAM COLLEGE RESOURCES COMMITTEE

22 November 2023

Boardroom, Bishopsfield Road, Fareham PO14 1NH

MINUTES

Present: Frances Butler Colin O'Donoghue
Irene Tichy Andy Wannell (Chair)

In attendance: Georgina Flood (Head of Governance)
Danielle Jiranek (Chief People Officer)
Michael Johnson (Chief Operating Officer)
Anoushka Ottley (Executive Director Business and Partnerships)
Sandra Prail (Chair of the Corporation)
Andrew Kaye (Chief Executive Officer)

The meeting was preceded by a deep dive presentation on post-merger Culture by Danielle Jirnaek. The slides will be made available for Governors via Decision Time.

The Committee queried if we are seeing distinct cultures between the Colleges? Are they positive or negative differences or conflicting? The CPO confirmed all Colleges have things to celebrate and things they'd like to change. We're working hard to retain what's good and not trying to wipe out what's been before, for an entirely new culture. We want to continue to embrace the unique differences in each College.

Members went on to discuss the fact that performance management and appraisal systems are often unifying tasks. Where are we with this important piece of work (noting that this has already been undertaken for SPH (Senior Postholders) and have we included values and behaviours within this framework? The CPO agreed it was important that SPH and wider College appraisal processes should dovetail. Members were informed that the new values will be represented and very much 'present' within the appraisal process. All agreed it was important at all levels to ensure measurement of contribution was not just 'what' but 'how.' A governor suggested that these values were mirrored within Governor's appraisals to ensure we have the consistent messaging throughout the group. All agreed

ACTION: Governor 121/Appraisal conversations to mirror college values and appraisal themes

Members offered and were welcomed to join in the #proudtobehere campaign. The Corporation Chair offered as part of the first term reflection Governor 121's in the new year to pull together some of the information required. CPO agreed this would be valuable.

ACTION: Corporation Chair to collate #proudtobehere information from Governors at post Autumn Cttee 121's

Members enquired if feedback from the staff conference about what they were looking for in leadership matched or mirrored the SLT (Senior Leadership Team) leadership charter? The CPO confirmed the leadership charter was a robust piece of work and the aspirations of the ELT/SLT teams were reassuringly similar to what staff were looking for – the proof will be in the long term and the confidence in staff at all elves being able to hold themselves and each other to account.

Members went on to discuss if there was a distance between where we are and where we want to be? The CPO confirmed it was hard to tell at his point in time, there are high levels of anxiety and stress, it will be easier to see how close we are to aspirational culture once some of the restructuring and other major projects have taken place. The CEO suggested it would be fair to note that we are at different starting points and there

are some clear differences in professional standards and behaviours, that said much of the feedback (especially from CCS (City College Southampton)) was a lack of direction/purpose and leadership which we hope has now been addressed.

It was noted the process of re-structure and its impact on culture (noting the keenness to do this in a considered and empathetic way) was really the best 'test' the Group could have in respect of who we are and what we want to be. All agreed.

Members discussed the approx. 40 self-nominated 'culture champions' who are hoped to act as a touch point across the entire organisations. The CPO noted that a framework for their suggested involvement will be shared in due course.

01/23 Item 2: Declarations of Interest

Members of the Committee were reminded of the need to declare any personal or financial interest in any item of business to be considered during the meeting. There were no declarations of interest.

02/23 Item 3: Welcome and Apologies for absence

Apologies were given by Karen Shreves due to a confusion over dates at the responsibility of the DG.

03/23 Item 4: Minutes of previous meeting/matters arising

There were no minutes of previous meetings to be reviewed and approved. Matters arising were noted as the Terms of Reference and Annual Cycle of Business. Minor changes to the ToR included clarification that IT should be referred to in its widest remit, and that the financial limit should read 100k to 500k.

The Chair raised a discussion from the induction sessions concerning the naming convention of the Committee suggesting that the term Resources Committee had been suggested since it provided an emphasis that finance was no more prevalent than any of the other 'resources. After discussion, all agreed.

ACTION: DG to change name of Committee from Finance & Resources to Resources and make minor changes to the ToR

04/23 Item 5. Strategic Plan KPI's

CEO introduced this KPI (Key Performance Indicator) report noting that these targets will be revised and updated for the second time this term for the next Corporation meeting. It was noted a significant number of these remain in the finance remit since they feature heavily in the PIMS (Post Intervention Monitoring and Support) monitoring.

The Committee queried when the ELT feel they will be able to complete the missing benchmarks?
The CEO confirmed that adjusted current ratio, turnover and sickness absence will be included in the December update.

A member noted the intention to develop Industry Boards what are we hoping to deliver from these?
The ED B&CP noted boards are already in existence with varying degrees of engagement and gaps. Development of these will form a key part of our stakeholder engagement strategy where we hope to develop sector industry boards across the group rather than per campus. In terms of delivery, we hope to gain essential feedback to help

shape curriculum intent and offer, offer guidance re: adult skills and short courses as well as feedback on capital spend and the delivery of LSIF (Local Skills Improvement Fund) and LSIP (Local Skills Improvement Plan).

Members of the Committee noted the report

05/23 Item 6: Management Accounts as of 30 September 2023

Members of the Committee received a confidential paper on the Management Accounts as of September 2023. The COO apologised for a more dated set of accounts than usual due to the complexity and demands of the merger. Members were informed noted this paper was an inherited format and will be looking to provide a more narrative format report in future. The COO spoke to the paper and drew the following areas to members' attention;

- Positive start to the year – 16-18 recruitment is increased (60% of our income)
- Moving forward Adult and apprenticeship income will have a higher focus of reporting (as those income streams we have more influence over)
- Staffing over budget – use of agency staff, carrying 50 vacancies, not backfilling where we can,
- Non-pay underspend - issues with consolidating budgets across the group
- EBITDA improved, but still making a loss, cash looks healthy but £2m of this is due for clawback.
- Financial Health Score still inadequate

Members discussed agency costs and queried the intention to bring them back inline?

The COO and CPO confirmed that work is underway to start looking at this in earnest. The DPC&Q is looking closely at curriculum staff utilization and a similar exercise is now taking place on a weekly basis within ELT to robustly review all agency spend and challenge anything over headcount. Its likely that the restructure may help to reduce some of these costs but its hoped before Xmas this will be under more control.

A member queried if the non-pay underspend was genuine and if we will see this come back?

The COO confirmed the budget for CCS (City College Southampton) was underspent notably in estates and capital, and to a lesser degree in Eastleigh College. Spend has been encouraged in relevant areas, so this may level of underspend may not remain.

A member queried the drop in revenue from £7.3 down to £6.2. as detailed in pg3 of the report.

COO confirmed that historically CCS would show accrued income in a slightly different manner that changed at different points in the year – this revised figure presents a more accurate picture of the 'real' income.

Members discussed the impact of the inadequate financial health score noting that its main restriction is usually linked to bank loan covenants which is not an issue for us. The Corporation Chair reminded members we always knew we would have a poor EBITDA and spend a period in inadequate health- the key will be to ensure we are on track to meet targets for 2026.

The Committee discussed the format and length of report. Whilst members acknowledged it was likely essential we collate this level of detail, there was less requirement to share all of it with the Committee. The COO confirmed this was an established data set that is being used to monitor the merger budget but that moving forward there would be more narrative and management account-based style (including at the CEO request a best case and worst-case scenario). Members welcomed the possibility for more 'forward' looking information and agreed using the FEC (Further Education Commissioner) exemplar for mgmt. account model would be useful. The COO confirmed would usually prefer/expect to present in the mgmt. accounts exemplar format.

The Committee reviewed the contents of the paper

06/23 Item 07: Business Plus update

The EDB&CP spoke to the paper circulated in advance drawing members attention to the following key items;
Apprenticeships

- £4.2m is in the ILR (Individualised Learner Record) to date, 815k new starts for next 2 weeks
Confident will meet the target of £6.2m
- Breakdown of starts per campus, some highly recruited to apprenticeship standards have been subject to some funding band increases which is positive.

Adults

- Total allocation £6.7m - variation of £215k plan to use this for increased online enrolments.
- Focus on curriculum plan to really deliver target enrolments.

Sub-contracting

- Carry in as per report
- Tender for others c. £1.8m underway – will bring this back to 18 December Corporation for sign off

Bids & Tenders

- Awarded 'multiply' contract with HCC (Hampshire County Council) to improve numeracy skills £256k
- Skills bootcamps via Solent LEP (Local Enterprise Partnership) in care, maritime logistic £277k
- IOT (Institute of Technology) tender for Higher Technical Qualification IOT pilots
- LSIF secured £2.4m to be shared with colleges and providers across the region

A member queried if there was still an aim to reduce subcontracting generally? The CEO confirmed yes, sub-contracting is not in favour within the sector generally due to various issues - we may continue to use it for niche contracts e.g., military mentors, but we will aim to taper off as far as possible during the the next 2-year period.

The Committee noted the report

07/23 Item 08: People & Culture termly report

Members were provided with an overview of the People & Culture report. It was noted that this report was lacking in data due to running of multiple HR systems, there is an intention will be increasingly quantitative moving forward. Items of note included;

- Restructure is a huge piece of work right up until Xmas
- HR system being sourced with plan to secure Spring with data transfer during the Summer
- Ongoing work on processes and policies e.g. redundancy, grievance - strong feedback from unions
- Unison have endorsed the 5.5% pay award, still waiting on UCU – keen to deliver before Xmas
- Pay alignment will start to take place as we move through the restructures encouraging members to move over to SHCG contracts

A Governor queried how we balance 50 vacancies v. undertaking restructuring

The CPO confirmed wherever possible we trying to re-deploy and encourage positive solutions for both staff and the business. Of those 50 vacancies there are several hard to fill roles that have been vacant for some time. Members queried the development of TUPE situation and harmonisation since this can often be confusing or difficult for staff. [REDACTED]

[REDACTED] The biggest piece of work will be within teaching contacts and managing expectations over what and how long this might take. Within the current re-structure, most staff will be re-deployed, and we think most will be happy to move to SHCG (South Hampshire College

Group contracts). A guide on moving to a SHCG contract and its impact has been developed and we are looking to make this info as far as possible.

It was noted (in response to a question) that most staff are moving to FC (Fareham College) contracts since FC had higher salary scales and greater holiday entitlement. [REDACTED]

The Committee noted the report

08/23 Item 09: Sustainability report and road map review

MDB&P provided members with a verbal update noting the green group met for the first time in October agreeing ToR (Terms of Reference) and sharing information on cross college projects. Moving forward the group are keen to evaluate our position on the AOC climate action road map and then the tasks we need to take to move forward. All this will form part of the wider strategic priority for the group which welcome support from the Board and Committees to deliver. Of note SHCG have joined the 'Solent Cluster' a forum representing business across the Solent with a commitment to de-carbonisation. We're keen to work with those employers involved and look at delivering the skills required across the region by embedding options within the curriculum.

A member queried the student voice within the Grp's sustainability agenda? EDB&CP confirmed once the student Board is established, we will be using the student board members to help drive student reps on our green group. We hope and expect to have student-led green boards on each campus too.

The Chair noted the Committee are due the SECR (Streamlined Energy & Carbon Reporting) report to the spring committee on SHCG, perhaps we can use this meeting and deep dive to review where we are with the sustainability journey. All agreed

ACTION: Sustainability deep dive to complement SECR reporting at the March 24 Resources Committee

13/23 Any other Business and Date of next meeting

There were no further items of business, the first part of the meeting ended at 19.15