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1. HR update

2. HR and OD Plan 2020-21

3. Workforce Composition Report 2019-20

AdL reported that the HR update details what has happened since the start of the year. The HR and OD plan is a working document that will be regularly referred to and updated against through the year by the HR department.

IV noted how much activity there has been in the department. He added that it is more difficult to comment on the effectiveness of the work carried out. AdL reported that all the work is carried out by a very small team who also manage payroll and she commented on how amazing the HR team are. The Chair noted that the development plan has a lot of detail and suggested the College is sensible about the delivery and doesn't overcommit. AdL agreed noting that it has been very difficult implementing a new HR system alongside Covid and moving into a new building.

AdL suggested the Committee focuses on the Workforce Composition Report for 2019-20. Key areas considered:

- Staff turnover data – this is high. Last year there was the managing change programme but even without redundancies it remained high as the College was robustly managing performance. This year the College is focused on stabilising the workforce but does need to carry on robustly challenging performance. The Chair questioned whether there is anything in the turnover, apart from the obvious need for downsizing and cost cutting, that the Committee should be aware of. AdL reported that there has been some turnover because of the new build and new ways of working and some staff close to retirement age have left because they didn't want the stress of returning to work during a pandemic and enjoyed their time at home. The Chair asked about the recent hirers and whether the number of leavers in under one year and one-five years shows any trends of concern. AdL reported that the under a year category could be related to fixed term contracts but it is an area to keep an eye on as it is high. AdL noted that there needs to be a refocus on exit interviews to check there isn't anything further behind it. RS asked if there is a standard exit questionnaire. AdL explained that there is a checklist but interviews are not mandatory. RS asked if the analysis of the questionnaires has been done and AdL explained that returns are low and it does require follow up and attention. The Committee suggested that some staff may prefer an interview to writing down any concerns
- **Gender pay gap** – the mean gender pay gap is within normal rates at 12.6%. The median gender pay gap is significant at 22.1%. The median hourly rate of pay for all male full-pay relevant employees is £19.41 compared to £15.11 for women. The £19.41 relates to the hourly rate for teachers at the top of the pay grade with the lower and middle quartiles generally being women in the lower paid support roles. AdL noted that she is not sure there is anything that can be done about this but it is something to be mindful about. The Chair asked what needs to be reported and AdL noted that the same table included in the report will be uploaded. RS asked if there is any data on in grade pay gaps and AdL noted that there doesn't tend to be any because the teaching salary stops that. It is more of an issue for the spot salaries at middle management level which the College has tried to align with Head of School roles during the last restructure. The variances are related to market forces in roles such as Head of MIS and Head of Finance.
(SK joined the meeting 18.06)
- Black and minority and ethnic groups – the data hasn't been received for last year to date. Based on the data from the previous year there is a difference between the number of staff and students in those groups. IV noted that this is even more of an issue looking at senior management. He reported that the Black FE Leadership Group is engaging strongly with central government on these issues. AdL noted that she will be passing the data from the report to Marc Dodi who leads on the EDI Group and is writing the EDI annual report. EM reported that in the last few years at senior level

	<p>colleges diversity has gone down in management roles and it would be interesting to understand why that is. IV noted that the Black FE leadership group¹ wrote a manifesto for change which is well worth looking at as it is a worsening picture nationally</p> <ul style="list-style-type: none"> • The Chair noted that the comparative data from staff is taken from Richmond, a predominately white area, and suggested that it may be worth comparing with Hounslow, AdL agreed to look at. She noted that three years ago the College had a 50/50 split in the leadership team and any small change will make a significant difference. AdL agreed to take forward with Marc Dodi to see what the College can do • Sickness absence was reduced but has now increased with Covid. HR are changing the reporting of absences to include categories for self-isolating, Covid and other sickness. It will be an interesting year in terms of sickness absence and getting benchmarks will be difficult • Recruitment for staff is quite high, the recruitment source used to be mainly FE jobs but this has decreased significantly and has cost implications so will be reviewed. Indeed.com is the current agency bringing staff in • Staff reporting on protected characteristics has increased suggesting staff feel more comfortable in disclosure. The College has moved to a new HR system with staff being asked to validate their data which may improve the disclosure further and capture staff who have been at the College for a number of years • IV asked about hard to fill positions and pay and whether pay is flexed for harder to recruit areas, whether the College is in line with other educational establishments in terms of pay, where the College is on the local benchmarking and whether the College is being as competitive as it can be in terms of pay or losing staff to more well payed providers. AdL reported that the College is not out of kilter in the sector for pay and has recently done a benchmarking exercise. IR reported that there is more work to do. Teaching pay came out as higher than other areas of London and it was taken as an action point to follow up with other colleges including the potential partners in the SPA. AdL reported that pay benefits are not a significant factor for people working in FE as there is more intrinsic value. The College does have to flex on pay, for example the Head of Finance and Head of MIS roles have market factors added to their salaries. For teachers this doesn't tend to be the case but for industry specialists particularly in IT and engineering this is commonplace and the College aims to try to keep it relative but are paying more. The College needs to start growing its own but doesn't currently deliver teacher training and relies on other partners. Generally construction specialists are easier to recruit because they are happy to down tools whereas engineering is more difficult as there are other sector incentives which are more highly paid • The Chair referred to the data showing that the College workforce is made up of 47% of teachers compared to the sector average of 37% and commended the College. AdL noted that this wasn't the case around four years ago and the College have consciously made that move. SK noted that the finance function is very lean and it will be important to ensure that the percentage is not overdone in that direction. IR agreed that all the support functions are very lean as the College can't afford the levels of support staff it would like to have because of a decade of funding cuts. EM noted that a return to funding for AEB at Level 3 and 4 is a real opportunity for the College. A look at curriculum changes against market profile and a constant review of the workforce and how the College are going to meet the need going forward will be important. It was agreed that restructuring always lags a bit behind in terms of impact and benchmarking and it is about how the team responds. AdL reminded the Committee that the College needs to be very careful around the staff cost ratio to ensure it remains low 	AdL
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¹ <https://www.aoc.co.uk/news/black-fe-leadership-group-publishes-open-letter-the-lack-black-leaders-in-fe-aoc-responds>

	<ul style="list-style-type: none"> SK noted that digitising and looking at systems to put in place to keep the FTE flat are being used in other sectors. AdL agreed and noted that the profile of the College is likely to be very different in a few years' time. 	
6	<p>Finance and HR KPI targets for 2020-21</p> <p>The Committee considered the targets. The Chair noted that he had no changes to suggest and asked for the Committee's views. It was agreed that it was good to see a positive EBITAA/Income % target of 8.31%. IR explained that there are a subset of wider KPIs coming to the Board which are being considered by Committees. The finance KPIs are already in the budget. It was noted that the reduction of staff costs as a percentage of income from 86% to 68% is rather a large jump to have done in the timeframe and the Committee asked if this is deliverable with the strain on the support staff and the blended learning approach. AdL and IR agreed with this. RS asked about whether the staff satisfaction targets of 65% and 63% are high enough. AdL explained that considering the year the staff have been through, the fact that the uncertainty is not over and the national benchmark target of around 60% the target is positive if not aspirational. The Committee asked that the QDP national target is included in the table to provide a perspective. AdL added that QDP survey a random set of colleges so it needs to be considered in this regard but it does say something about the FE sector and its culture.</p> <p>IV asked for details on the average contribution by curriculum area to overheads and IR explained that this data is collected and will be a feature of the management accounts pack from the beginning of this year.</p>	<p>AdL</p> <p>IR</p>
7	<p>Draft Management Accounts July 2020 Including RuTC Trading Services Ltd</p> <p>IR reported and the Committee discussed as follows:</p> <ul style="list-style-type: none"> The EBITDA is £150k better than the revised budget and £20k better than forecast in the draft revised budget, subject to audit and financial adjustments In terms of income there are no new variances The high needs student invoicing of £665k has now been paid by Wandsworth LA On pay costs the variance is because the data now includes FRS102 pension charges, it is purely an accounting figure and doesn't have any bearing on the running of the college or EBITDA. The actual was higher as entry was based on the previous year's FRS102 and since then the actuaries report is harsher On non-pay there are a series of variances. Exams is less positive than previously due to a hold up in the exams office on a disputed invoice dealing settlement until August. Going forward invoices need to come in centrally to finance A rebate has been received from Pearsons Marketing has housekeeping costs accrued from a previous financial year. EM asked if the marketing costs are a one off or a pattern. IR noted that he could take the view that some of the marketing spend from the last year is for 2020-21 but he is reluctant to start accruing marketing costs on the balance sheet Utility bills are an ongoing issue with no electricity billing for the old campus and a lesser issue with water and this is being checked. The electricity has £120k accrued last year so would need to be an adjustment Debtor balances have now reduced and student debts which have not changed greatly are now been handled by debt collection for further action Age creditors – creditor balance has grown in July. All have been settled in August. SK noted that pensions is no longer on there and asked if these issues are resolved. IR noted that standard pension contributions are being paid every month. The previous issue had been that the capital recovery sums hadn't been paid to the local government pensions 	

	<ul style="list-style-type: none"> IR noted that RuTC TS has an averse variance but there is still not an adequate response from staff. JM noted that the RuTC TS company meeting had taken place in the summer which wasn't didn't provide satisfactory answers. IR explained that he does need to get the bottom of it and that because there hasn't been routine financial reporting there is now a full year of variances which is still not resolved. It was noted that Jason Jones is holding discussions about the Head of School for Business and Service Industries and re profiling it differently to give a resolution to his workload and what he is accountable for. IR explained that there has been a big loss for RuTCT TS due to Covid but it is more that there was a disconnect that needs to be investigated The Committee noted that the borrowing over income percentage target in the KPIs has reduced considerably which isn't picked up in the forecast. IR explained that the College didn't complete all the leases in July in line with the forecast outturn which is why the ratio is different at July month end. Leases were all completed in August and the loan from the redevelopment fund sits at £1m. 	
8	<p>Financial impact of Coronavirus</p> <p>The Board has delegated this as a standing item on the FRC agenda.</p> <p>IR explained that the analysis has previously been on the risk around Covid and this has not been prepared for this meeting. It will be included as part of the management accounts for September 2020. The risks were around the penalty rents for Clarion which is now resolved and potential for additional staff costs with Covid. There has been some pressure on pay costs but it is not particularly virus related but because the College is so lean on support staff. AdL noted that Covid hasn't helped as there has been additional work around health and safety. There will be a revised budget in the first quarter alongside the October management accounts which will come to the next Committee. He explained that it has been a case of balancing workloads and the previous report showed that we are able to clear the risks of Covid and this will be re assessed as part of the revised budget.</p> <p>The Chair reminded the Committee that the Board do not want regular re budgeting.</p> <p>IV noted that it is a broadly positive story and asked how a revised budget plays into the last part of the SPA in terms of indicators for student numbers and the resources to deliver those. He noted the assurance from IR that Covid isn't going to impact hugely financially and the College has been able to mitigate any additional costs with grant funding with some further outcomes awaited. He asked if the new budget is going to be available for management to talk to at the 14 October SPA steering group. IR noted that it is not going to be available and there isn't a robust enough set of student data which will drive it. The big focus is on departmental contribution levels and staffing levels. EM agreed that it would be a big ask to have it ready in time. IR noted that this time last year the College would be nowhere near this point and it is about what is realistic. EM noted that indications can be made at the meeting that outcomes are going to be positive and more of it can be built into the November presentations.</p> <p>IV questioned whether the College is being too cautious and conservative around Covid and including additional teaching costs whereas the other potential partners may not be taking the same approach so the evaluation will not compare like for like. He noted that realistically we will hopefully have student number data and can position the conversation around a budget which is set on conservative costs around additional teaching and Covid. Reference to the upsides of the GLA's payment of penalty rents and additional funding for Covid support and increased student numbers can be included. IR agreed that since putting the financial plan down in July the College has had good news around land disposal, GLA funding, ESFA funding, Capital conditioning funding and has student numbers well in excess of target. Since that budget was prepared the College can explain that the following things have happened and cash flow is better than the submission.</p> <p>IV urged CLT to make use of these discussion in the standalone submission. The process is strengthened if it has gone through a governance process to support the management case as argued by the FEC.</p>	EM/IR

	EM noted that the meetings had been positive and members were pleased with the performance of the College at the start of the year. IR reported that there were noticeably less questions around finance as the College's position has improved. SC to circulate minutes to the Committee.	SC
12	Health and Safety Report AdL reported on the annual report for 2019-20. The Health and Safety Committee has combined with the Wellbeing Group. The Committee looked at the report on Covid and AdL noted that College shouldn't underestimate the impact on staff and students of the pandemic. The asbestos discovered underneath the slabs of KLM building is safe and being managed. The Chair asked for further details on the poor numbers on online training. AdL reported that further work is being done to ascertain if staff are put off by the quality or user friendliness of the training or are just browsing and not choosing to complete the course.	
13	IT and Resources Strategy update IR noted that the Strategy Group will be meeting and he will get a report over in due course. There is no substantive update. The IT team have been run off their feet and some internal audit work for the IT team has been pulled. He is trying to get more staff for the department, one staff member has started and there is another vacancy to fill. For some of these specialist roles which are not FE specific the salary offered doesn't compete with the marketplace. AdL noted that a clause can be written into contracts to retain staff. IV reported that during a staff surgery some strong representations had been raised about IT shortcomings which he had passed on to EM. These included a lack of charging points, computers not working on the 4 th floor and security passes not working. He noted that he felt it warranted a mention at the Committee but that he is not completely clear that the College doesn't have issues with its systems but doesn't have the evidence to counter the point. IR noted that these issues have been raised in other forums and he is trying to resolve them. There is an inadequately designed switch hub on the 4 th floor which is overheating and a number of the issues are things that can't be fixed in a day. The Chair asked that an update comes to the next meeting to keep an eye on IT operations. SK asked if this is an agenda item for CRPG around remediation on the tech infrastructure. IR noted that the College set a design and agreed and signed off the data sheets. EM reported that the College is looking at short term things to help and is well aware of it as a CLT and is discussing how to take forward what is not working and change it. RESOLVED: It was agreed to pass the action to CRPG to take forward and for the Committee to have oversight of related finance and resources elements. IR noted that at some point a post occupancy review with reporting back on user issues will take place.	IR SC/IR
14	Energy Costs and usage DfE guidance ² IR noted that this is not statutory guidance but there is an expectation for colleges to comply. He noted that the example calculation can be done with the raw data. Currently the College doesn't have meters but is in the process of agreeing something with the electricity companies. The Committee agreed that the College should be doing something and the work would feed into the sustainability agenda and will give a baseline on costs. IR to take forward and report to the next Committee.	IR
15	Policies Finance policies: 1. Environmental and Sustainability Policy The Committee noted that this item has been carried to 25 November 2020. HR policies: 2. Health, Safety and Welfare policy AdL reported that the policy has minor updates and she is taking the lead and chairing the Health, Safety and Welfare policy.	

² <https://www.gov.uk/government/publications/college-corporation-financial-management-good-practice-guides>

	RESOLVED: The Committee recommended to approve the revised Health, Safety and Welfare Policy	
16	<p>Risks relating to Finance and Resources</p> <p>The Committee considered the risk paper. There was a discussion about systems issues particularly in IT. IR reported that there are strong systems in place and assurance. There is the potential for issues and there are a lot of issues with staff and students around kit and the department is working through these. There are also the big risks around cyber-attacks and loss of data. IR explained that he had had to pull an internal audit on IT due to the workload of IT staff and this will be rescheduled alongside a penetration exercise looking at the robustness of the College system against cyber-attacks.</p> <p>IR agreed to think about reporting and oversight of IT and bring back to the Committee.</p>	IR
17	<p>ESFA extension for submission of financial statements to 31 January 2021</p> <p>The Chair noted that the College is still aiming for a 31 December 2020 submission. IR reported that the College may need to delay if the ESFA are late issuing their funding reconciliations as the auditors won't sign off the accounts until the funding statements are received as they are material to the College's position. The interim governance adviser noted that the College has a joint CRPG/FRC on the 20 January and a Board holding date on the 27 January 2021 which can be utilised if required.</p>	
18	<p>RuTC Trading Services Ltd minutes from 19 August 2020</p> <p>The Committee noted that they have oversight of RuTC TS and that it is a standing item on its agenda to report into the Board. As discussed earlier in the agenda there are unresolved issues around the subsidiary and IR has agreed to follow up. The next Company Performance meeting is 11 November and will report into the next Committee.</p>	IR
19	<p>Any other business</p> <p>There were no items.</p>	
20	<p>Meetings for 2020-21 – 25 November 2020, 20 January 2021 (holding date for IFMC), 16 March 2021, 30 June 2021 (all 17.30 start)</p>	

Meeting closed at: 19.50