



**BRIGHTON HOVE AND SUSSEX SIXTH FORM COLLEGE  
MINUTES OF THE MEETING OF THE RESOURCES COMMITTEE  
HELD ON MONDAY 4<sup>th</sup> MARCH 2019 IN ROOM 413, COPPER BUILDING AT 6.00 P.M.**

Present: William Baldwin (Principal), Howard Kidd (Chair of Resources Committee), Chris Newson (Governor), Neil Perry (Vice-Chair of Corporation), Sandra Prail (Chair of Governors), Sue Smith (Governor – Support Staff), Mark Snape (co-opted Committee Member)

In attendance: Marcus Palmer (Governor – to be approved March Corporation), Alison Cousens (Assistant Principal – Student Services), Jutta Knapp (Assistant Principal – Resources), James Moncrieff (Deputy Principal), Louise Pennington

*NOTE: FOR EASE OF REFERENCE QUESTIONS AND COMMENTS FROM GOVERNORS HAVE BEEN INCLUDED IN BOLD ITALICS*

## **SECTION 1: ROUTINE AND STANDING ITEMS**

### **1.1 Apologies and Welcomes**

**Apologies:** Chris Nagle (HR Manager), Jo Davis.

The meeting was quorate.

At this point Sandra Prail updated the Committee on various developments being discussed at Search and Governance Committee including the following:

- S & G Committee has been working for a while on a succession plan for Howard Kidd, following his decision to retire at the end of March 2019.
- It's intended that Marcus Palmer will be recommended as a new Governor and the lead finance Governor on the Resources Committee.
- Tom Wolfenden will transfer from Audit Committee to Resources Committee and will Chair the latter.
- Neil Perry will join Audit Committee and be appointed Chair.
- Jo Davis will transfer from Resources Committee to Audit Committee, be appointed as a full Governor and take over as Chair from Neil Perry in due course. Thanks were recorded to Jo Davis for her contribution to the Resources Committee.
- There will be 5 new Governors being recommended to Corporation, including the two new Parent Governors, Louise Askew and Amanda Law.
- All recommendations above will be subject to Corporation approval.

The Committee recorded its grateful thanks to Howard Kidd for his long and valuable service to the College.

Furthermore as it was Sue Smith's last meeting as the Staff Governor (Support), thanks were also recorded to her.

### **1.2 Minutes of the Last Meeting**

#### **Resources Committee Meeting held on 26<sup>th</sup> November 2018**

The Resources Committee minutes were considered and approved by the Committee and the Chair authorised to sign them.

### **1.3 Matters Arising**

The various actions listed were noted and updates provided where necessary. Louise Pennington agreed to update the schedule for the next meeting. **ACTION: Louise Pennington**

**1.4 Declaration of Interests** - None declared.

## **SECTION 2: HR AND RELATED MATTERS**

### **2.1 HR Matters**

In the absence of Chris Nagle, Jutta Knapp presented the various HR items below and the following points were recorded:

#### **a) Termly Update on HR Issues**

At this point Neil Perry joined the meeting.

- Governors were reminded that at the last meeting SMT had reported that support staff absences were above the national average, with a significant proportion coming from the cleaning team. Management of this situation has resulted in a member of staff retiring on the grounds of ill health and the dismissal of another member of staff with high levels of absenteeism who failed to follow college absence procedures.
- Flexible working – a member of staff has requested a flexible working arrangement which SMT has considered but had to reject as it would be unworkable for various reasons. The member of staff appealed the decision and this is now going to an employment tribunal. SMT has discussed the case with the College's legal advisors, Eversheds, who have indicated that the College has no case to answer, and will act on the college's behalf. Unfortunately there is no cost to the employee of bringing a case but legal fees could be incurred. There is an initial process meeting on 24 June at which Eversheds will attend on behalf of the college, followed by the tribunal itself in February 2020 - date to be determined.
- HR Department and SMT are working on 2 policies at present:
- a) Alcohol and Substance Misuse (new policy) which SFCs are recommended to introduce. Once drafted, SMT has recommended that the policies will be brought to Resources Committee in the first instance, after which future reviews/revisions will be overseen by SMT; this was agreed by the Committee.
- b) Absence Management and Well-being (the latter element having been added to the policy title) – this is an existing policy which is being revised to emphasise the importance of well-being. This policy will continue to be approved by SMT.

#### **b) Pay/PDR Issues including National Pay Negotiations**



William Baldwin and Jutta Knapp updated Governors on progress with negotiations reported at the last meeting, noting the following:

- Offers to Teaching and Support staff are on the table, but no agreement has been reached yet.
- The Teaching award has been offered on a sliding scale award, with the lowest grades (1-6) being offered 3%, scale 1-9 1.5% and those on the leadership and management grades being offered 1%.
- Teaching Staff negotiations had asked for a 5% pay rise, so it's likely that the negotiations with representatives will be more difficult.
- Governors were reminded that BHASVIC had recently revised its Teaching Staff pay structure in order to remove inequalities. In light of the latter SMT would prefer to see an across the board pay rise as a sliding scale may have an impact on the Head of Department roles where the differential may not be sufficient to incentive staff carrying out this role.
- The Support Staff offer is based on improving pay for those on lower grades with increases here of up to 3.6% for scales 15 – 20, up to 1.5% for scales 21 – 32 and 1% for those higher up the scale. The SCFA is keen to finalise the Support Staff agreement before the end of March 2019 as the national minimum wage is due to be increased then. The SFCA is aiming to finalise the Teaching Staff agreement by the end of March too.
- SMT would also prefer to see the same pay rise for Teaching and Support staff in order to preserve equality.
- The College has estimated the impact of the latest offer for Teaching staff and this would cost the College 1.62%, with 2% having been included in the budget (SFC sector average would be 1.66%). The impact on the budget from the Support staff offer has still to be calculated.
- The pay rise would be back dated to September 2018.
- ***In response to a question from the Committee, Jutta Knapp confirmed that the pension costs were not part of the SFCA negotiations. However at this point Governors were reminded that pension contributions in respect of the Teachers' Pension Scheme would be increasing significantly next year from 16.48% to 23%, the increased cost of which may be covered by the ESFA but only up to July 2020.***
- The Support Staff participate in the Local Government Pension Scheme (LGPS).

The Committee recommended to Corporation that on the basis described above, the College should agree the pay rise in line with the national agreement. **ACTION: Jutta Knapp**

At this point Sue Smith left the meeting.

## SECTION 3: RESOURCES AND RELATED MATTERS

### 3.1 Management Accounts for the last Six Months

Howard Kidd and Jutta Knapp presented the figures to the Committee and the following discussion points were recorded:

- Jutta Knapp confirmed that two targets on page 13 required revisions: Operating Surplus as a % of Income should read 1.22% and that under bank covenants, the operating cash flow figure should read 230% and not 200%.
- Page 13 Targets – the operating surplus as % of income is still well below the target of 3%, but reflects the difficult funding climate for all Colleges.
- Page 13 Targets - Pay as % of Income is marginally higher than the target, being 75% compared to 74%.
- Howard Kidd explained that some of the targets were based on assumptions and a reasoned approach, whilst others such as pay, were guided by national targets. He also reminded the Committee that when considering the operating surplus as a percentage of income, it was important to take into account the cash flows which would follow this. The lagged funding provision was also explained.
- Bank covenants were highlighted noting a £2M minimum reserves' requirement.
- Page 19 Main Variances between forecast operating cost surplus outturn and budget: additional devolved capital funding offered to all Colleges was noted, being £168K in respect of BHASVIC and Jutta Knapp confirmed that it was intended to utilise this towards meeting IT costs reflecting costs anticipated following the IT consultation process. Regarding the latter, it was noted that the report from Civica was due shortly.
- Similar figures to those in the budget, agreed by Corporation in July 2018.
- Capital expenditure will be in respect of the new building and IT project costs.
- CIF grant monies –Governors were reminded that the grant awarded was £4M which would help finance the new building and that the College had 2 years to utilise the grant, after which any balance would have to be returned.
- Page 15 – Cash flow summary - projected cash inflow is £392K, noting that account must be taken of capital grant spend which would reduce this to £192K approximately.
- Page 17 Balance sheet – Howard Kidd reminded Governors of the various categories
- Page 18 Cash flow schedule which reflects the reference to cash flow summary on page 15. The College has a strong cash position at present and Jutta Knapp explaining the ESFA cash profiling whereby funding is received per month over a 12 month period, but on a profile established by the ESFA which doesn't reflect Colleges' spending pattern.
- ***In response to a question from the Committee, Howard Kidd stressed the importance of ensuring that the College's outflows did not impact on the bank covenant figure for reserves. Although his understanding was that the College had prepared 2 years' cash flow forecasts which demonstrated the College's strong cash position for the next few years.***
- At the year end the College has projected £5.4M in the bank of which £200K is advanced capital grant monies.
- ***The Committee raised concerns over the uncertainty of the IT project costs, but understood that Civica's report and project costings would be issued shortly. To date the College has spent only an additional £50K on IT, in excess of the budget, to resolve some of the urgent IT issues, which as explained above, will be covered by the devolved capital grant.***
- Regarding the capital project costs and uncertainty arising (refer Premises Group meeting minutes), William Baldwin explained that once the re-tendering exercise has been completed the College will be able to review its design proposals and if necessary may have to make some difficult choices regarding all the detailed works to take forward, but also explained that the



College could make use of some of its cash reserves to deal with any costs above the project total, in the region of up to £1.5M.

- Page 20 Borrowings – Howard Kidd reminded Governors that the College was awaiting confirmation from the bank regarding its financing request of £1.5M/£2M.

It was agreed that the final Management Accounts would be presented to Corporation for information.

**ACTION: Jutta Knapp**

### **3.2 IT Consultancy and Recommendations from Task and Finish Group (notes of meeting from 7<sup>th</sup> January 2019 enclosed) – CONFIDENTIAL ITEM**

**Refer to confidential minutes.**

### **3.3 Premises Update (draft minutes of meeting held on 23<sup>rd</sup> January 2019) – CONFIDENTIAL ITEM**

**Refer to confidential minutes.**

### **3.4 Funding 2019/2020**

The indicative funding allocation for the next academic year was noted by the Committee including the fact that there is no longer an element of formula funding protection (current year £120K) and the College has lost its high needs student funding allocation (£6K per Student and £24K funding allocation in total). In light of the latter, the College is reviewing the high need student element within its Learning Support Department to determine whether a reapplication for high needs student funding should be made to the ESFA.

Jutta Knapp advised that a further funding allocation update was approved after the Resources Committee meeting papers had been dispatched and noted that the final funding figure will be included in the budget for 2019/2020 which will be presented to the Committee in June 2019.

## **SECTION 4: CONSENT AGENDA**

### **4.1 College Development Plan Section 4 (Leadership and Management) - noted**

### **4.2 Staff Development Plan - noted**

### **4.3 Risk Assurance – noted and endorsed.**

Jutta Knapp agreed to pass on the Committee's confirmation regarding risk assurance to the Audit Committee. **ACTION: Jutta Knapp**

### **4.4 New College Insolvency Regime for SFC and FE Colleges - noted**

## **SECTION 5: OTHER MATTERS**

### **5.1 Any Other Business**

Sandra Prail informed Governors that the College's business procedures required approval of any overseas travel by staff. It was reported that James Moncrieff would be travelling to the USA at a cost of £250 in respect of his leadership training and in line with the procedures, the Chair of Governors and the

Chair of Resources had given their authority to approve this. The Resources Committee ratified the action taken and recommended this to Corporation. **ACTION: Sandra Prail/Howard Kidd**

**5.2 Date of Next Meeting – Tuesday 11<sup>th</sup> June 2019**

**SECTION 6: CONFIDENTIAL BUSINESS**

**6.1 Confidential Minutes from the Last Meeting**

The minutes were approved and the Chair authorised to sign them.

**6.2 Matters Arising**

**6.3 Any Other Business (Confidential Business)**

None

Chair.....Date.....