

**EASTLEIGH COLLEGE BOARD
MINUTES OF MEETING HELD ON WEDNESDAY 23 MARCH 2022, 1700 HRS
IN EAST AVENUE RESTAURANT & VIA TEAMS**

Present:

Natalie Wigman (Vice-Chair)
Paul Cox (Chief Executive & Principal)
Colin O'Donoghue
Phil Harris-Bridge
James Heaton-Smith
Alison Caplin
Fiona Stilwell (via Teams)
Mairead Taylor (via Teams)
Rupert Goodman
Cassidy Fieldsend (via teams)
Sophie Annett (via Teams)
Bernie Topham

In Attendance:

Peter Joddrell, Deputy Principal (Curriculum and Digital)
Kevin Jones, Vice Principal (Finance, Funding and Management Information)
Paul Stannard, Vice Principal (Quality, Compliance, and Improvement)
Mickiela Blake, Head of HR & Talent Development
Fiona Chalk, (Governance Advisor)

BOARD MEETING

GOVERNORS' MEETING TIME WITHOUT SMT

B.14.22 Governance matters

Terms of Office of Chair/Vice-Chair/Chair of Audit
(see confidential minute)

B.15.22 Strategic update

Governors noted the strategic updates, including ongoing subcontractor matters and strategic opportunities and risks (see confidential minute)

M Taylor and C Fieldsend left the meeting. S Annett joined the meeting.

B.16.22 Annual Pay Review

(see confidential minute)

F Stillwell left the meeting.

B.17.22 MEMBERSHIP AND BOARD MATTERS

i Apologies

There were apologies from Jon Sendell, Karen Stanton, and Nick Hewitt.

ii Declarations of Interests

B Topham declared an interest in item B.15.22 - the Institute of Technology. The University of Portsmouth had withdrawn from the IoT but is now back in the consortium.

P Cox declared an interest in item B.16.22, the pay review item.

iii Minutes of the meeting held on 26 January 2022

The minutes of the meeting held on 26 January 2022 were agreed and signed as a true and accurate record, subject to a rewording of the sentence about the college's proactive role as an influencer in the local market and meeting local skills need.

iv Matters arising

The minutes of the Board meeting held on the 26 January 2022 were reviewed and all the actions were either covered later in the agenda or had been completed.

Training on the Skills Bill Tracker (as discussed at Standards Committee) is on the agenda for May 4th meeting.

B.18.22 GOVERNORS' MONTHLY REPORT

i Financial aspects:

(see confidential minute)

ii Safeguarding update:

Governors noted that there have been about the same number of instances as in January. There is sufficient staff capacity to continue to deal with this level of instances. Incidents remain primarily related to low-level disruption with the College seeing similar trends to those across the sector felt to be mostly due to Yr 10/11, key for development, being disrupted by Covid and students missing school.

Governors accepted the new reporting format, and noted the new metrics reported, and more colourful KPIs would assist with reading.

TO RECEIVE

B.19.22 Draft Budget 2022/23

Governors noted that at this stage the draft budget is delivering a small projected deficit of £53k and this has a flat impact on cash across the year with opening and closing cash at £2.2m. The stronger EBITDA and balance sheet drive a financial health score at the top of the range for Requires Improvement and with continued expenditure control and some income upside, there is the potential to achieve breakeven and financial health score of Good. A movement of around £100k would achieve both surplus and "good", this could see KPM MO10 achieved a year earlier than planned, however management advised that this is not a target that is driving budget setting.

The introduction of a costed curriculum tool was already underway at the time of the requested FEC DA that in turn became a FEC recommendation, the College is now using a more advanced software tool for 2022/23 which is popular in the sector to facilitate this. This process helps Heads of Delivery plan the 51-week college and gives a headline of expected income based on historic actuals. A number of scenarios were presented, showing less gross income due to a reduction in sub-contracting. A deficit of around £53k was shown as a starting figure and it was noted that the budget will come back to Board once it has been tested. There is still uncertainty around apprenticeships, and the firmest part of budget is 16-19 funding. Budgeted ratios across provision areas were noted.

Governors asked about the minimum bottom line required to have a financial health score of good. It is approximately £53k linked to break-even. The college and board have previously agreed that the coming year would have a Requires Improvement financial score.

B.20.22 Flexible Work, Holiday, and Pay Proposal

Governors noted that the College has been developing this thinking since 2021 and were advised that this proposal is not a reaction to the current high living costs nor on the basis that there has been no pay rise awarded this year. Governors and management agreed that pay rises, and the potential flexibilities are two separate matters. Flexibilities are about improving the College's ability to retain and attract staff. Two members of the FEC team have seen the thinking as it has developed, it has been discussed at F&GP, been shared with the Chair/VC, with Union Branch colleagues, and SMT. In addition, two separate legal opinions have been received. This is about how the college could work in the future and its culture. The College has not followed what others have done in the sector when faced with recruitment challenges i.e., golden handshakes, and different pay which carry risk on affordability and toxicity in the workplace, with people potentially sat next to each other doing the same job, but on different levels of pay. Management recognise that not copying the short-term reactions of others, and seeking a longer-term solution may ultimately have been a mistake.

Two lots of legal advice have been received. The Union branch are very happy with the proposal to date. If the Board are supportive, the paper will be shared with regional Union and AoC colleagues, and then with whole staff. Depending on the reception to it, there could be approval of the policy in May to implement from 1st August.

Governors felt that the detail and thinking that had been prepared for consideration was strong and agreed that aspects of the original thinking were too high risk and agreed with management, and the legal advice that aspects of the original thinking would not be pursued. Management expect the take up of potential flexibilities to be lower for existing staff than that of new staff.

Governors raised the following concerns and questions:

- Consistency of application – a different manager may apply the informal flexibilities differently, as such training on implementation of this is absolutely crucial. Management reassured governors that a flexible working policy has been in a pilot phase since January 21 due to Covid, and there is management training taking place at Easter.
- What the implication may be on student experience with lecturers working different hours – the need to ensure flexibility for staff does not become inflexibility for the students. It was acknowledged that flexible working for employees can attract staff, without enough quality staff, the learners will lose out. These flexibilities could well enable the College to compete in additional talent ‘pools’ as typically FE does not compete in the private sector where terms and conditions are structured differently. In addition, the Independent Training Providers, with whom the College currently competes, would be unlikely to match this offer, as such further extending potential talent pools.
- Considering the law of unintended consequences, what could be downsides beyond those outlined in the papers?
- It was agreed that in addition to regional unions, the AoC and all staff that the pension providers would be contacted and engaged during the feedback period.
- The balance of risk appetite and risk management, with risks 1, 9, 10, 11, 14 and 15 being linked to the flexible work, holiday and pay thinking.
- Governors agreed that in addition to gathering feedback, and the steps outlined in the paper that to further mitigate risks that legal advice should be taken to inform any flexible work, holiday and pay policy that management may present for approval in May.

Governors agreed that the battle for talent is tough at the moment and this proposal treats people as professionals and adults in giving them choice and freedom within a menu of flexible options. It was agreed it is a very admirable proposal and congratulated management on grasping the nettle. Management reiterated the college’s ambition is based on that for most people in the UK a career is now likely to span a minimum of 40 years. During this period much will change in people’s lives and it is on this basis that the annual ‘window’ for colleagues to choose from flexibility options is hoped to be implemented.

The Board resolved to support management to continue to work on this flexible work and pay proposal and make the necessary approaches to stakeholders.

PC to action

S Annett left the meeting.

B.21.22 Training Event (outline agenda)

Governors considered and agreed the outlined agenda.

TO APPROVE

B.22.22 Gender Pay Gap Report

This report was noted as submitted every year, including a detailed action plan with management emphasising the focus on being committed to improving the position going forward. Governors asked what the movement is from last year, and noted it as being slightly

worse. Management advised that the outcomes are not as a result of unfair pay, but rather driven by female staff earnings per annum being lower than male staff as female staff tend to be in the majority of the College's term-time only workers. Staff are paid at the same grade regardless of protected characteristics. It was acknowledged that control of choice on term time jobs is not easy, but with potentially increased flexibilities, then reliance on part-time and term-time contracts could possibly reduce, so improving this gap.

B.23.22 Emergency Operating Procedure

Governors noted that the statement of principles has been updated in line with all policies. The Section 7 change was noted, with an end of the 'snow days' concept, and the mitigations in place against an inability to be able to work online. The college is now working in a different way post Covid, and this policy reflects that.

The Board resolved to approve the Emergency Operating Policy.

KJ to action

B.24.22 Audit Committee Recommendations

- i **The Board noted the draft committee minutes and resolved to approve the Committee Terms of Reference.**

The date of the next audit committee meeting was confirmed as the 25th of May.

FC to action

B.25.22 F&GP Committee Recommendations

- i **The Board noted the draft committee minutes and resolved to approve the Financial Regulations & Procedures.**

KJ to action

- ii **The Board resolved to approve the Tuition Fee Guidance and Fee Level Proposals.**

KJ to action

B.26.22 Search Committee Proposals

The Board noted the contents of the draft committee minutes and resolved to approve:

1. Kerry Matthews' appointment as an advisory governor to the Standards Committee
2. The role of the Vice-Chair to be split into 2 vice chairs from July 2022
3. The appointment of 3 new governors by Peridot Partners
4. The revised Terms of Reference for the Search & Governance Committee
5. Alison Caplin's appointment to the Search & Governance Committee
6. The revised wording for the Training & Development Policy

The Clerk advised that the ETF are moving their Governance Development Programme to a new platform, so governors training accounts will be set up after 1st April.

FC to action

B.27.22 Standards Committee Recommendations

- i **The Board noted the contents of the draft committee minutes and resolved to approve the Curriculum Policy.**

The Chair advised that the purpose of the Link governors' scheme is being revisited and the committee are keen to hear from staff on their views. The scheme could cover other areas such as HR, Finance, Sustainability etc. Following the staffing restructure, Link governor staff contacts have changed, and an updated will follow shortly. Management advised that this has been updated to fit with the new staffing structure, and business support areas have been added.

FC/PJ to action

B.28.22 Lloyds Bank Loan Arrangements

Governors noted that the documents are now in the college's possession and the sub-group meeting for approval of the signing of the bank loan documents will take place next week.

PC/JS to action

TO CONSIDER

B.29.22 Confidential items

B.14.22 – Terms of Office

B.15.22 - Strategic update

B.16.22 – Annual Pay Review

B.20.22 – Flexible work, holiday, and pay proposal.

B.30.22 Date of next meeting (as part of the Governor Training Event)

Wednesday 4 May 2022 (to be held on-site) at 1700 hrs.