



Business Committee Minutes

Meeting	Business Committee	Date	24 November 2022
Location	Folkestone – Executive Boardroom	Time	9.30am
Membership	Charles Buchanan, Miranda Chapman, Gail Clarke (Chair), Paula Gillespie, Graham Razey (CEO), Karen Wilks (Staff Governor), Joanna Worby		
In Attendance	Chris Legg, (CL) Chief Financial Officer Dan Shelley (DS), Chief Transformation Officer Sharon Hollingsworth, (SH) Director of Governance Fiona Medeiros (FM), Senior Executive Support Officer - Minutes Clerk		

	ITEM	COMMENTS	ACTION
1	Appointment of the Chair	Charles Buchanan proposed Gail Clarke as chair, seconded by Miranda Chapman and agreed by full committee.	
2	Welcome and apologies for absence	The Chair welcomed everyone to the meeting and thanked them for their time. Gail Clarke, Joanna Worby and Karen Wilks joined by Teams. Paula Gillespie and Miranda Chapman were welcomed as new committee members.	
3	Declarations of Interest	There were no additional declarations to the meeting other than those declared as standing.	
4	Minutes of the meetings held on 29th June 2022 including confidential minutes	The minutes and confidential minutes of the Business Committee meeting held on 29 June 2022 were reviewed by the Committee members and approved as a true and fair account by members present at the meeting, Charles Buchanan, Graham Razey, Karen Wilks and Jo Worby. The minutes will be signed following the meeting by the Chair and sent to SH.	
5	Matters Arising not covered by this agenda:	No items.	
6	Terms of Reference for the Business Committee	The Director of Governance presented the Terms of Reference for the Business Committee.	

		<p>Updates to the Terms of Reference were noted.</p> <p>A governor referred to item 6 'Election of the Chair'. It was noted that the Search and Governance Committee is responsible for recommending Committee Chair appointments to the full governing body for approval. It was suggested that the Terms be updated to reflect this.</p> <p>It was noted that greater clarity needed in terms of how the Property Sub-Committee and Business Committee interact. Action to agree at the next Business Committee agenda setting meeting on 7th February 2022.</p> <p style="text-align: center;">AGREED – Governors agreed the presented Terms of Reference for the Business Committee</p>	<p>SH</p> <p>SH/GC</p>
Strategic items			
7	Property Strategy update	This item was considered confidential and will form Confidential Minutes PART A.	
8	EKC Group Branding Structure	<p>The CEO highlighted the main learnings from the Group brand review, noting that the use of 'East Kent Colleges' in full alongside the acronym EKC would not precipitate a full name change in print, but that they would be gradually used interchangeably. MC agreed strongly with the main points reached within the review.</p> <p>It was noted that the brief for the brand review focused on both how people felt about the organisation and what they felt we were good at; The Office of the CEO will now lead on the articulation of these findings.</p> <p>The CEO noted that the Colleges now need to consider how we encourage greater traffic to our website via other platforms: Instagram, YouTube, TikTok, noting a push towards increased video content alongside a review of colour palette and both print and digital brand. A reduction also needed in the number of clicks needed to enrol. It was noted that the College Principals will be involved in this work.</p> <p>Potential to use The Edge as our advertising agency was suggested by a governor.</p> <p style="text-align: center;">NOTED – EKC Group Branding Structure</p>	

Reporting		
9	July 2022 Management Accounts	<p>CL presented the July 2022 Management accounts and highlighted the following key matters to the committee:</p> <p>Income is behind target for the year. Adult Education Budget (AEB) income is still behind budget, in an attempt to address this shortfall, a targeted programme of additional AEB-funded courses had been developed and the impact of this did show through the management accounts during the latter months of Q4.</p> <p>Apprenticeship income is behind budget, the major cause of this shortfall is the acceleration of apprentice achievements into last year that were expected to achieve in the first two months of 2021/22.</p> <p>Both Fee income and Commercial income is behind target.</p> <p>Project and Contract income is ahead of budget due to project work acquired after the budget was set.</p> <p>Core pay expenditure is underspent for the year.</p> <p>EBITDA fell behind budget mainly due to the income under-performances reported above.</p> <p>The Group financial health achieved a “Good” rating for this financial year. All banking covenants have been met.</p> <p style="text-align: center;">NOTED – July 2022 Management Accounts</p>
10	October 2022 Management Accounts to include Q1 re-forecast	<p>(Karen Wilks left the meeting at 10.18)</p> <p>CL led governors through the presented October Management accounts and discussed the following key matters with the committee:</p> <p>The Q1 re-forecast exercise is now completed and is being reported in the management accounts.</p>

		<p>Overall, income is forecasted to be behind target, this is mainly due to a reduction in commercial income and forecasted under-performance against adult fee income. A Governor asked what the Group is doing to better understand the reason for the shortfall in adult fee income. It was noted that whilst we are competitive in the market, demand is currently low. Under-resourcing was discussed. The Governor questioned whether we were under-resourced or if resourcing correctly reflected the amount of activity. The Governor also queried the morale of teachers. It was noted that there are key areas which are typically difficult to recruit to and that HR resourcing is also under pressure. 50-70 vacancies is acceptable across the group however 120 was noted to be uncomfortable. Staff morale will be discussed later, it was noted here however that whilst not currently an issue, morale was a risk the longer we remain under resourced.</p> <p>In terms of commercial income, The Yarrow, whilst not hitting target, remains profitable. Refectories are marginally over-performing, and Nurseries are performing well. A governor enquired about growth in Nursery customer base in both Folkestone and Broadstairs. All new nursery rooms are in use however we are not yet at capacity on either site, a delay in opening the new spaces in the previous year was cited as contributing to this. The Governor asked when we hoped for the trend to pick-up, it was confirmed that the Group are marketing to ensure this. It was noted that the refectory offer has improved and revised accounting for free school meals has supported growth here.</p> <p>Pay costs are forecasted to be under-spent as a result of significant restructuring undertaken and a high, but reducing, level of vacancy within the Group.</p> <p>Non-pay is forecasted to be approximately in line with budget.</p> <p>EBITDA is forecasted to be approximately in line with budget and still delivers the 7% target EBITDA, albeit against a lower level of turnover.</p> <p>The Group financial health achieved a “Good” rating for the previous financial year and is budgeted to be maintained at this level at this academic year-end. All banking covenants are being met. A Governor asked what would be needed to move the Group into Requires Improvement. It was noted that we are tracking this, and that the Group understand the need to deliver via EKC Training and to continue with the strong delivery of our core offer, we remain confident.</p> <p style="text-align: center;">NOTED – October 2022 Management Accounts to include Q1 re-forecast</p>	
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11	Staff survey results and management action plan	<p>The CEO presented agreed next steps following on from the staff survey, as shared with the Full Governing Body in October. He noted that college principals have revised action plans and there is a revised performance review panel system in place. All local board chairs are encouraged to review their college local plan.</p> <p>The People's Charter, highlighting roles and responsibilities for both the organisation and staff has been developed and will be launched in January 2023. A governor offered to share The Marlowe Theatre People Plan, enabling organisations to learn from each other. The governor was thanked for the support. The CEO confirmed that the management action plan has been developed out of the staff survey.</p> <p>Current focus is on the harmonisation of contracts, as well as developing and supporting frontline managers. To further improve transparency, Group Pay Policy will be developed. A governor offered to confirm the name of the pay policy used by the Marlowe Theatre.</p> <p>Career families will be identified, highlighting opportunities for progression within the group and the steps and skills needed to reach goals.</p> <p>Both the ambition and scale of these planned actions were commended by the Governors.</p> <p>(Joanna Worby left the meeting at 11am.)</p> <p style="text-align: center;">NOTED - Staff survey results and management action plan</p>	<p>SH/LCB Chairs</p> <p>SH</p> <p>SH</p>
12	Update on Gender Pay Gap position	<p>The CEO detailed findings of the report, as shared in the meeting pack. It was agreed that further research would be completed to identify average male and female pay in the upper quartile. It was noted that this quartile would be skewed by the CX post - action to remove the CX post from the equation.</p> <p>Noted it would be interesting to see if recent structure changes affect the upper quartile equation; compare to data prior to the restructure and consider comms.</p> <p>Present findings at the next Business Committee meeting in March, Matters Arising.</p> <p style="text-align: center;">NOTED - Draft Gender Pay Gap Report 2022/23</p>	<p>Jamie Weir</p> <p>Jamie Weir</p> <p>SH</p>

13	Report on HR matters	<p>The CEO provided a verbal update on the position of current HR matters explaining that we are now down to two cases, however we are still within appeal time for recent redundancies.</p> <p>Long-term sickness is currently at its lowest. In terms of short-term intermittent sickness, managers have appeared reluctant to tackle this; new guidance will be issued shortly.</p> <p>The organisation uses the Bradford Factor Score to measure absenteeism, the CEO requested recommendations for alternative approaches. The Bradford formula was widely adopted by those attending, however the CEO was advised to ask Joanna Worby.</p> <p style="text-align: center;">NOTED – Report on HR Matters</p>	GR
Procedural			
14	Any Other Business	There was no other business.	
15	Matters Considered Confidential	Item 7 – was considered confidential	
16	Date and time of next meeting	Thursday 16 March 2023 at 9.30am.	

There being no further business the meeting closed at 11.30am

Signed:



Print: **Gail Clarke**

Date: **16 March 2023**