



Business Committee Minutes

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| Meeting | Business Committee | Date | 29 June 2022 |
| Location | Broadstairs – Executive Suite Boardroom | Time | 9.30am |
| Membership | Tim Kent (Chair), Charles Buchanan, <i>Gail Clarke</i> , Joanna Worby, Graham Razey, Karen Wilks | | |
| In Attendance | Chris Legg, (CL) Chief Financial Officer Dan Shelley (DS), Chief Transformation Officer Sharon Hollingsworth, (SH) Director of Governance Nicole Leader (NL), Executive Support Officer - Minutes Clerk | | |

**Italics denotes absence*

| | ITEM | COMMENTS | ACTION |
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| 1 | Welcome and apologies for absence | The Chair welcomed everyone to the meeting and thanked them for their time. Jo Worby and Sharon Hollingsworth joined by Teams. Apologies received from Gail Clarke. | |
| 2 | Declarations of Interest | There were no additional declarations to the meeting other than those declared as standing. | |
| 3 | Minutes of the meetings held 17 March 2022 including confidential minutes | The minutes and confidential minutes of the Business Committee meeting held on 17 March 2022 were reviewed by the Committee members and approved as a true and fair account. The minutes will be signed following the meeting by the Chair | |
| 4 | Matters Arising not covered by this agenda: | Item 8 - Appointment of Main Contractor, Motor Vehicle new build at Dover Technical College. CL advised the Committee that the appointment for Dover Main contractor was awarded to Baxall. Item 10 – Business Continuity Plan – members reflected on the recent fire at Broadstairs College and discussed when to alert governors of this type of incident. The Committee concluded that communication with Governors should form part of the management of communications within the plan. | |

| Strategic items | | | |
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| 5 | Property Strategy update includes Capital Project monthly reporting | This item was considered confidential until FGB approval and will form Confidential Minutes PART A. | |
| 6 | Update on Folkestone College Project | This item was considered confidential and will form Confidential Minutes PART A | |
| 7 | Budget Strategy: | <p>CL presented the draft Budget Strategy for 2022-23. The budget has been split into Revenue and Capital for the Committee to review and if comfortable to make a recommendation to the Full Governing Body for approval. CL invited questions from the Committee:</p> <p>a. <u>Revenue Budget</u> An increase of 8.4% in the 16-19 student funding, 2.3% increase in other 16-19 funding in 2022-23. Estimated cost of Pay award is £1.2m out of this £500k from the funding increase. Broadly the reduced financial performance of a 7% EBITDA equates to two thirds of the salary enhancement. High needs block funding remains flat but does not include the Junior Colleges. Five out of the six colleges have reduced student numbers and have been through a stringent budget planning process resulting in several businesses cases Student recruitment is up by some 1,000 applications compared to last year.</p> <p>b. <u>Capital Budget</u> CL advised the Committee of the key assumptions that are driving the capital budget for 2022-23 and the delivery of the property strategy. CL led governors through the detail behind the Cash Generation Plan, Project Cash Flows, Capital Grant Income, Loan Financing and the Group Cash Contribution and invited questions from the Committee. Governors were comfortable with the presented Revenue Budget and Capital Budget and agreed that it was a prudent to recommend both to the Full Governing Body.</p> <p style="text-align: center;">RECOMMEND: Budget Strategy 2022-23 to the Full Governing Board for approval</p> | |

| Reporting | | |
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| 8 | May Management Accounts | <p>CL presented the May 2022 Management Accounts which includes the Q3 Re-forecast.</p> <p>The Committee noted £750K underperformance against the Adult Education Budget. EBITDA is now slightly behind target due to the underperformance. However, the EBITDA will increase slightly through savings on non-pay. It was reported that activities are happening across the Group to improve the AEB position. Governors expressed concern and challenged the Executive on the position asking how it had happened and what are plans for it not happening in the future. CL highlighted the new areas of activity that are being introduced in 2022-23, including the new civil engineering centre, Weekend College at Canterbury and the Ashford Plumbing & Electrical centre.</p> <p>Financial health is forecasted to have 10 points fewer than last year but remains in good financial health. The capital programme will reduce the financial health score but is estimated to improve in 2022/23.</p> <p>Commercial Management accounts – this item was considered confidential and will form Confidential Minutes PART B.</p> <p style="text-align: center;">NOTED: May Management Accounts</p> |
| 9 | Fees Policy | <p>CL advised that there had been some minor formatting changes to the policy.</p> <p style="text-align: center;">Recommend: The Fees Policy to the Full Governing Board for approval.</p> |
| 10 | Financial Regulations | <p>CL informed the Committee that a review has been undertaken of the existing set of Financial Regulations and no substantial changes are being proposed. There have been a few minor presentational changes to improve the appearance but nothing over and above these cosmetic changes have been enacted.</p> <p>It was noted that the proposed delegated powers to the property sub-committee should be included in the Regulations ahead of Governing Body approval.</p> <p style="text-align: center;">Recommend: The Financial Regulations to the Full Governing Body, for approval, subject to the above amendment.</p> |

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| 11 | Update on performance of Group Commercial activity | This item was considered confidential and will form Confidential Minutes PART B | |
| 12 | Update on staff vacancies & staff recruitment | <p>GR presented the update report on staff vacancies and staff recruitment commenting on the performance in the previous 12 months and future strategies to improve time to hire and quality of candidates.</p> <p>The current labour market is extremely competitive driven by record lows in unemployment and record numbers of vacancies according to the latest ONS data, although the rate of growth has slowed since the last quarter.</p> <p>It was reported that the volume of staff vacancies remains high. Growth of the Group and high staff turnover are the main factors for this.</p> <p>The time to hire staff has reduced in Commercial services due to targeted approach in adapting the recruitment process for this area of work.</p> <p>Discussions have taken place with other Colleges and local employers regarding recruitment challenges and the same pattern is emerging throughout.</p> <p>The Committee discussed the high number of vacancies and the adverse effect on staff sickness levels and staff satisfaction levels.</p> <p>Human Resources have been split into three areas: Resourcing, People Development and People Services which all have their own directorate.</p> <p>The newly formed Resourcing Directorate is to solely focus on recruitment for the Group both strategically and operationally. Once fully recruited the team will have 2 resourcing assistants and a resourcing officer in addition to the Director.</p> <p style="text-align: center;">NOTED: Update on staff vacancies & staff recruitment</p> | |
| 13 | Update on staff absence position | GR outlined the sickness absence trends across EKC Group. The Committee discussed the current statuses against national benchmarks and sector comparators. Comparatively, EKC Group's absence levels are high. The percentage of working time lost for sickness-related reasons stands at 2.3% above | |

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| | | <p>national levels. Similarly, the average number of days incurred for sickness absence per employee exceeds national norms by 3.8 days. Covid still remains the majority reason for absence. Student attendance and retention is down and could be affected by the staff absence and covering lessons.</p> <p>NOTED: the update report on staff absence position</p> | |
| 14 | Gender Pay Gap Snapshot report | This item was considered confidential until publication and will form Confidential Minutes PART A | |
| 15 | Policy Report: | <p>Code of Conduct and Dress Code Policy – it was noted that reference to employees and staff was stated within the policy. The Committee recommend that the term 'staff' should be used rather than employees.</p> <p>Resolution: The Code of Conduct and Dress Code Policy was approved subject to the above amendment.</p> <p>Corporate and Social Responsibility Policy - minor updates have been made to job titles and associated policies and procedures. As part of the review, a benchmarking exercise was undertaken to assess the Group's policy against similar policies that other Further Education Colleges and Universities have in place. The Group's Corporate and Social Responsibility policy was found to be fit for purpose and needed no significant changes.</p> <p>Resolution: The Corporate and Social Responsibility Policy was approved.</p> | |
| 16 | Report on HR matters | <p>GR provided a verbal update on the position of current HR matters explaining that the volume of cases has reduced. The ruling for one of the key high-profile cases is now likely to take place in Autumn 2022.</p> <p>NOTED: Update on HR Matters</p> | |



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| Procedural | | | |
| 17 | Any Other Business | There was no other business | |
| 18 | Matters Considered Confidential | Item 5, Property strategy – resolution remains confidential until board agreement Item 6, Folkestone College project Item 8, Commercial part of the management accounts Item 11, Update on performance of Group Commercial activity Item 14, Gender Pay Gap until publication | |
| 19 | Date and time of next meeting | 24 November 2022 at 9.30am | |

There being no further business the meeting closed at 11.30am

Signed: GRM

Print: GRAN CLARKE

Date: 25 November 2022