

**Extraordinary Full Governing Body meeting Ashington 5pm Monday 23 February 2009**  
**Confidential Minutes**

<p>Present: L Ions, R Ellis-Jones, M Jeans, S Barlow, I Todd, P Sample, C Smith, R Cassons, K Morrison, S Reed, T Shirley, Prof Fleming</p> <p>Attending: P Caudren, C Todd, H Wright, M Rossi Chair's invitation</p> <p>Apologies: N Hall</p>
<p>The meeting was confirmed as quorate and there were no eligibility issues to note or conflicts of interest. The Chair had invited M Rossi to attend to observe.</p>
<p>The Chair thanked the Governors for attending an additional meeting which was to share the thinking of the Senior Management Team in the process of restructure. The Chair noted that she would be asking the Staff Governor K Morrison and observer M Rossi to leave the meeting for the item on Management restructure and would therefore take this item last to enable them to participate in the other items. The Chair asked Governors to note the amended retreat date of 2/3 April and thanked members who attended to hear a disciplinary appeal.</p>
<p><b>3. Overview of Restructure:</b> REJ handed out a diagram showing the areas that the restructure had concentrated on and outlined that the team had known there were issues with the staffing profile for a while but had a problem pinning down what this was due to a lack of data. There had been an 18 month process behind these findings to understand the profile of staffing and improve the data.</p> <p>There had now been exercises in benchmarking to cover all parts of the business, this had been carried out by the agency Tribal. They had used sophisticated models based on similar size and profile colleges including LBI institutions. There was confidence that the profiling was sound. It revealed that the profile was worse even since the profiling was carried out due to pay increases, new staff being taken on and staff being put back into redundant posts.</p> <p>The SMT had broken the work down into three areas (i) staffing profile (ii) Kirkley Hall and the LBI curriculum (iii) Management areas of responsibility. There was a lot of data and reports underpinning this work and whilst this was not before Governors today they were welcome to request any part of this.</p>

**5. Staffing issues (appendix 2):** REJ explained that the investigations had revealed that the profile of staffing was different from other Colleges of a similar size partly due to the particular geography of the region leading to a lack of turnover of staff or “churn”. This had positives of loyalty to the organisation but many lecturers went to the top of their scale and cost a lot and also there was not the incoming input from young staff fresh from industry.

The staffing profile was particularly crucial when considering the response to providing work based learning as this required an inexpensive and flexible workforce. It was also discovered that there was no protocol on pay increases so that staff could move the top of the scale without any reference to performance or results. There had also been no co-ordinated strategy on replacing staff with a new profile of staff more suitable for the new kinds of work being delivered. Some staff were also staying so long that questions were arising about the currency and relevance of their skills. It was not just the teaching staff that were being looked at but also support staff.

REJ noted that there was to be an inspection next year and that this must be considered and a destabilising effect was a concern. REJ proposed that the Governors should monitor the progress of the restructure plan through the Financial Intervention Plan, SAR and the Operational Plan attached to the Strategic Plan. From a management perspective all managers were allocated outcomes and so the ownership of each piece of work could be tracked and managed.

REJ set out the main areas of approach, moving from use of hourly paid staff to agency staff to avoid the problem of roll-on at 4 years where some had become permanent. Voluntary Redundancy in the short term where allowance had been made for this in the budget. Recruitment of a third tier of staff to allow for membership of a different pension scheme. P Caudren noted that a request had been made to the Pensions Advisory Service to find out about the legality of running an alternative pension scheme offer. Questions were raised about the effect of this on job applicants whether this would be divisive amongst existing staff and whether it would affect recruitment. Governors also noted that an overview of the staffing position should consider the strain on the pension fund when considering redundancies.

REJ noted that consideration was being given to a third tier of staff who could carry out the assessment, travel and other employer responsive work this would keep the

lecturers free to teach. This could be a third tier of staff who could be phased in from now when vacancies arise.

T Shirley noted that he had seen such a third tier of staff work in other Colleges but was not sure about the gradual approach as mostly such a body of “Assessor Trainers” were managed and introduced in one action.

There was some discussion of the use of agencies. It was agreed that the approach needed to be finding a workforce fit for purpose and to take a positive approach as to why this was being done rather than a negative one of purely costs saving. Concern was also raised about the long term approach to the change in staff profile and in general there was agreement that a short sharp approach may cause less damage to morale and staffing levels, the Board also had to consider quick action due to the financial problems.

I Todd was of the view that the problem needed to be addressed not by staffing first but by a review of the curriculum and planning this to be financially viable and then work out what staff could be afforded by this product. C Todd noted that he, H Wright and the CAMs were completing the curriculum planning in the next four weeks. He responded to a question to say that there was not currently a financial model worked out to show that the short term model proposed could be afforded. There was general concern expressed that there were not apparent savings in the short term model proposed and that there were risks with staff at 55 years old drawing pensions. It was suggested that the current short term proposals would actually cost at this stage.

Several governors agreed that there was a case for a rapid repositioning to keep up momentum and to get the skills profile needed. M Rossi asked whether a severance deal would be considered to encourage staff who may be ready to move at the end of the academic year. It would be unfortunate if the message went out that staff felt they were being targeted for loyalty to the organisation.

The Chair summarised that there was a need to develop curriculum planning to see what staffing profile was required and then for the stages indicated in the paper to be progressed more quickly than proposed. There was not long term option given the financial difficulties the work all needed to be short term.

A question was raised about the loss of fees from students and whether this had been followed up and Chris Todd was to bring the figures to the next Finance committee.

#### ACTION

Prof Fleming summarised his suggestion that the Curriculum Plan be done quickly and that the pools of staff not required be identified. He noted that delay would be a governance issue. M Rossi noted that there was urgency in meeting with Unions and it should be done straightaway if possible, he noted that they had had a meeting in the Summer when the financial position was stated to be acceptable and he felt that industrial action may result from this news. The Chair agreed that the meeting should take place as soon as possible.

It was agreed that there may not be takeup of voluntary redundancies if there was not a background of possible compulsory redundancies and so this should form part of the discussion.

I Todd noted that there had been an LSC policy that lecturers had to have certain teaching certificates by a certain date, if any were not fulfilling this criteria they could form a natural wastage. Peter Caudren was to check into that. ACTION

P Caudren then presented his VR paper. He noted that the age 55 and length of service criteria in his draft notice were actually challengeable legally and would need to come out. In response to a question he noted that retirement could still be enforced at 65 if that were stated in the contract. There was some discussion about the likely takeup of VR on those approaching retirement age. M Rossi asked if this was worse than the deal offered last year and P Caudren noted it was the same value.

**6. Land Based Industries Report:** C Todd presented his paper on the Kirkley Hall issues, it was currently a drain on college resources and staff costs were too high. The preferred option was to place all staff at risk once the curriculum was finalised. There was some discussion about whether it would be a preferred option to have another institution take over the Kirkley Hall part of the business. M Jeans outlined the positive work that was being done at the farm and with the new farming management team. The Chair emphasised the urgency of the LBI problem due to the grade 4 result and the forthcoming Ofsted inspection.

REJ restated the importance of the LBI provision to the College's mission to serve the needs of Northumberland and R Casson agreed that this was essential from the Local Authority perspective. (R Casson left the meeting for another commitment)

S Reed supported the importance of the College provision from the Local Authority perspective and that perhaps partnership with a higher education institution should be explored. It was also noted that for the sports provision planned Kirkley was central to the new build plans. Some discussion about either another institution or private sector involvement took place. M Jeans noted that such things as grass seed trials brought money and sponsorship to the farm and this could be developed. It was also noted that the current environment was favouring agricultural institutions and Prof Fleming noted several examples he was aware of where LBI colleges and providers were doing very well with high numbers of learners and income. The Chair summed up that all felt there was opportunity for a positive impact on the whole College if the curriculum planning was done and a policy of redundancies followed to bring an appropriate workforce.

REJ noted that the High Gain board had not met for a while and that the position with the Governors was that only P Sample was currently a member although C Smith had indicated he would be available to join. There was a need for a business plan to move forward. The farm manager provision was well advanced and the contract was now ready to be signed. It was noted that the farm managers would like the opportunity to meet the Governors and explain their ideas at a future meeting and they would be put on an agenda soon. ACTION

Before they left the Chair invited comments from M Rossi and K Morrison, they both noted that there was already concern expressed in the College amongst staff that redundancies may be coming and that making announcements sooner rather than later would be better for the staff as a whole.

(M Rossi, K Morrison and S Reed, for another appointment, then left the meeting and there was a short break).

**4. Management Changes:** REJ noted that she had not put up a formal plan of the management structure as the posts now represented known post holders and their performance issues were not matters for the governors to consider. It was a matter for governors to consider that issues had arisen in the senior management structure although the resolution of these issues was her area of responsibility. She proposed to

discuss her solutions with the Chair as her line manager and for a sounding on any governance implications but not for approval, all changes would be cost neutral.

There were issues around lack of performance, capacity, being new in post and having too large a portfolio. It had been a difficult 18 months but the SMT and CMT had developed. There was a clear need for the CMT to have the opportunity to grow and develop in role and to secure talent in the long term.

Governors noted that there were apparent concerns with management of work based learning which was causing serious financial problems and also that where Corporate departments were overspending on budget this was a concern. Governors also noted that it sent a positive message to staff that if changes were needed in the workforce they were also seen to happen in SMT. All the Governors agreed to support the Principal in her work to make changes and agreed that she should share concerns where appropriate. It was also noted that in the opinion of several governors the College was under-resourced in the administration and delivery workforce and this needed to be considered when restructuring.

The Clerk was asked to check to see whether the Articles required Board approval for a restructure of the SMT. ACTION

The Chair summarised that action must be taken quickly and be cost neutral and that a plan needed to be presented based on the curriculum review. REJ and P Caudren were also asked to check when the guidelines required the Unions to be notified most felt it was probably immediately now that the meeting had been held. ACTION.

**The whole of these minutes were agreed to be confidential.** The next meeting would take place 31 March 2009

<b>REJ and PC to contact Unions</b>	<b>immediate</b>	<b>REJ / PC</b>
<b>Clerk to check whether Board approval required for restructure of SMT</b>	<b>ASAP</b>	<b>Clerk</b>

<b>Farm Managers to meet Governors for a chat</b>	<b>Next available meeting</b>	<b>Clerk</b>
<b>Check about lecturers needing certificates by a certain date</b>	<b>ASAP</b>	<b>PC</b>
<b>Loss of fees from students figures</b>	<b>Next finance meeting</b>	<b>Chris Todd</b>

