

Board of Management Meeting

Date of Meeting	Tuesday 4 April 2023
Paper No.	BoM5-V
Agenda Item	5.7
Subject of Paper	Report on the outcome of the 19 mitigations to date
FOISA Status	Disclosable
Primary Contact	Dr Sheila Lodge Depute Principal & Chief Operating Officer
Date of production	27 March 2023
Action	For Noting

1. Recommendations

1.1 The Board of Management is invited to note the report and comment on the further actions which are proposed.

2. Purpose

2.1 This paper is intended to update the Board on progress to date with the programme of 19 mitigations undertaken in the autumn of 2022 to reduce costs across the College.

3. Consultation

3.1 The paper has been discussed with the Transformation Team and ELT.

4. Key Insights

4.1 In October 2022, the College embarked on a programme of 19 'improvements' or 'mitigations'. In the context of the College's current funding and finance challenges,

these were cost reduction measures or aspirations for growth, designed to improve the financial position of the College and mitigate against the risk of redundancies.

4.2 Each mitigation was assigned a lead from the Executive Leadership Team. The mitigations have been grouped below according to the area of activity, but keeping the original numbering for ease of tracking:

ID	Initiative	ELT Lead
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Staff cost reducing initiatives

1	Review / Refine our organisational structures	PL
2	Optimise current full and part time staffing	CC
5	Immediate freeze all non-business critical recruitment	JFG
7	Reduce Overtime	JFG
8	Review Temporary / Fixed Term & Agency Working	SL
10	Voluntary Severance	JFG
3	Supporting employees back to work from sickness absence	JFG
4	Potential for Outsourcing of Support Service functions	ST
6	Freeze issuing additional contracts / Hours	SL
9	Potential for early retirements	JFG
11	Finding alternative employment	JFG

Goods & Services cost reducing initiatives

13	Reduction of utilities use	ST
14	Review of all memberships & subscriptions	ST
16	Review of Travel & Expenses	JFG
17	Limit hospitality and catering costs	RG
15	No unnecessary expenditure	ST
18	Review of all ongoing approved projects	SL

Income-generating initiatives

19	Growth of existing income streams	RG
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Cross-College proposals

12	Invite Staff and Trade union suggestions	JFG
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4.3 As the Board was reminded in February, calculating mitigation savings is not an exact science. For instance, 'no unnecessary expenditure' is an exhortation to vigilance rather than a number which can be tabulated; whilst others such as 'reviewing our operational structures' are enablers for initiatives such as Voluntary Severance, and will contribute to cost savings while not delivering savings in themselves.

Below is a schedule showing the savings delivered to date within 2022/23 and their full-year impact into 2023/24.

ID	Initiative	ELT Lead	Savings 2022/23		Annualised (from start of 2023/24)	
			Original Target	Current Forecast	Original Target	Current Forecast
Staff cost reducing initiatives						
1	Review / Refine our operational structures	PL	2,000	-	TBC	-
2	Optimise current full and part time staffing	CC	600	1,600	TBC	-
5	Immediate freeze all non-business critical recruitment	JFG	500		TBC	2,100
7	Reduce Overtime	JFG	TBC	-	TBC	-
8	Review Temporary / Fixed Term & Agency Working	SL	supporting	-	supporting	-
10	Voluntary Severance	JFG	supporting	570	supporting	3,700
3	Supporting employees back to work from sickness absence	JFG	300	-	TBC	-
4	Potential for Outsourcing of Support Service functions	ST	TBC	-	TBC	-
6	Freeze issuing additional contracts / Hours	SL	TBC	-	TBC	-
9	Potential for early retirements	JFG	supporting	-	supporting	-
11	Finding alternative employment	JFG	nil	-	nil	-
Goods & Services cost reducing initiatives						
13	Reduction of utilities use	ST	175	150	TBC	200
14	Review of all memberships & subscriptions	ST	100	-	TBC	-
16	Review of Travel & Expenses	JFG	25	-	TBC	-
17	Limit hospitality and catering costs	RG	TBC	-	TBC	-
15	No unnecessary expenditure	ST	TBC	-	TBC	-
18	Review of all ongoing approved projects	SL	TBC	-	TBC	-
Income-generating initiatives						
19	Growth of existing income streams	RG	300	300	1,000	-
Cross-College proposals						
12	Invite Staff and Trade union suggestions	JFG	TBC	-	TBC	-
Total Budget improvements (savings and Income growth)			4,000	2,620	12,000	6,000

4.4 In summary, the 19 Mitigations have delivered £2.6m savings within 2022/23, and resulted in £6m of annualised savings to contribute towards closing the c£12m funding/financial gap for 2023/24.

However, the delays in implementing the VS scheme have contributed to the gap between the £4m the mitigations were targeted to deliver and the £2.6m which they have produced.

4.5 The next steps in taking forward these mitigations will be:

- Revising the mitigations to identify areas where savings are possible and those which are facilitating measures or dependencies

- Preparing revised targets for AY23-24 after SFC announcement, end March 2023
- Delivering regular reports to SMT and Board on progress against revised targets

5. Impact and Implications

5.1 The 19 mitigations have delivered £2.6m savings within 2022/23. This can be seen as helping the College move towards a break-even point and significantly reducing the number of redundancies that must be made to achieve that goal.

5.2 The mitigations have had some impact on staff in the College.

- Reducing recruitment of staff to only those post which are business critical have meant that not every post which has become vacant has been backfilled, and responsibilities have been shared amongst those who remain.
- Although VS was agreed only for posts where the workload was ceasing or diminishing, the perception that teams are now smaller than they used to be can be uncomfortable for those who remain.
- And reducing the number of bank lecturers and temporary teaching staff has meant that a higher proportion of our staff are now teaching more class contact hours than they were previously (although none has gone beyond 100% utilisation (i.e. 23 +1 hours, as stipulated in the National Working Practices Agreement).

While it can be argued that these effects are more psychological than actual, they nonetheless have an impact the morale of staff across the College, and this is recognised and taken into account in our compassionate approach towards handling our funding and finance challenges.