



CORPORATION

**FINAL SIGNED Minutes of the Meeting held on Tuesday 12 February 2019 at
5.30pm**

in Room O2.03, Osprey House, Redditch

Present

Governors:

Neill Bucktin	Chair
David Ash	
Tony Ciriello	
Sara Finch	
Peter Heath	
Fiona Hellowell	
Lucy Hodgson	
Tony King	
Stuart Laverick	Principal
Paul McCunn	
Denis Miles	Vice Chair
Sue Nicholls	
Nicki Pearsall	

In Attendance:

Nicki Williams	Vice Principal and Deputy Chief Executive Officer
Claire Barton	Director of Quality, HE and Professional
Cherie Clements	Director of Finance
Sue Frost	Clerk to the Corporation

Action

33.1 Apologies

- i) Apologies were received from Kevin Gaffney, Debbie Morris, Robert Pearce and Gary Woodman. Steve Bolton had approved leave of absence. Lucy Hodgson was expected but had been delayed.

33.2 Declarations of Interest

- i) Members were asked to declare any Interests, financial or otherwise, which they may have in any Agenda Item and Paul McCunn declared that his wife is a College employee. Other Members confirmed that they had no interests to declare.

33.3 Minutes of the Last Meeting

- i) Minor corrections were highlighted in the papers. The Corporation **APPROVED** the revised Minutes of the meeting held on 4 December 2018 as a true record for signature by the Chair.

33.4 Matters Arising

- i) The Corporation reviewed the Action Points report and noted progress, acknowledging the additional information provided in the notes. Eight actions had been completed or would be completed during the meeting and two carried

forward (28.15: Subcontracting Performance Report was not a later Agenda item.) In relation to 32.8 ix) The Risk Management Plan 2018/19, the Vice Principal and Deputy Chief Executive Officer had confirmed that the Capital Project risks were included in several places in the full version of the Risk Register, available in the Audit Committee meeting folders on the Governor Portal. This was also a Matter Arising for the Audit Committee and would be discussed further there.

- ii) The Corporation **MONITORED** action taken and remaining to be taken in respect of Matters Arising from the Minutes of meetings and the Notes of the Corporation Away Event and Workshops.

33.5 **Determination of Any Other Urgent Business**

- i) There was no other urgent business.

33.6 **PRINCIPAL'S REPORT**

i) **Principal's Update for Governors**

The Principal's Report included commentary and the College response on:

- **Apprenticeship Policy**

The previously underspent Apprenticeship Levy was now overspent, due in part to the prevalence of "MBA apprenticeships" now offered. The College was not involved in this. The College was working with the West Midlands Combined Authority (WMCA) scheme to pool transfers regionally from large employers so as to enable non-levy employers to access funding. Apprenticeship take up at Levels 2 and 3 had declined as predicted by colleges, aided by Brexit uncertainty, off-the job funding rules and general complexity.

- **T-level development**

T-level development had been slow but tenders had been awarded for the first three pathways in digital (digital production, design and development), childcare and education and construction (design, surveying and planning) to start in 2020 and tendering was due to start shortly for the next six. The College remained involved in national pilot work on the industrial placement component of the T-levels, but employers were finding it difficult to accommodate the 300 hour/45 day duration and the student numbers involved. The college would explore the possibility of creating in-house placements along with business/commercial partners for engineering.

Progression issues into and out of T-levels remained a concern. The College planned to apply to run its first T-levels from 2021 with Care and Digital courses being considered.

- **Government Spending Review**

Work continued across the sector to raise the profile of the need for increased funding, with the Association of Colleges (AoC) and the Sixth Form Colleges' Association campaigning for the rate per learner, (£4,000 for 16 and 17 year olds and £3,300 for 18 year olds, to be increased. The Principal was proactive in this, attending Parliamentary lobbies with local businessmen, strengthening contacts with local MPs and working with the Association of Colleges and The Association of School and College Leaders.

- **College Insolvency Regime**

The Insolvency Regulations were now in force, which would allow colleges to become insolvent for the first time and guidance on the related new Education and Skills Funding Agency intervention regime was anticipated. The Principal felt that it was unlikely to result in college closures but, with the current level of instability it could be used to broker more merger type arrangements. The College had recently been approached by two Deputy FE Commissioners in this regard and discussions were ongoing.

- **Ofsted Annual Report 2017-18:**

The full report was included in the supporting papers and the main pack included the reflections and challenges discussed by the Senior Leadership Team. These included alignment to employer requests and local priorities, ensuring the curriculum offer showed strong development of maths and English, responding to the new Education Inspection Framework and building strategic partnerships in the world of devolved budgets and a more curriculum orientated framework. Ofsted's lack of support for the maths and English condition of funding and support for increased College funding was welcome.

Governors commented that grade inflation at A level and degree level did not help students. Minister for Education Robert Halfon's recently expressed view of a wider qualification base at 18 foresaw stronger academic and vocational integration.

ii) **Curriculum and Quality Key Performance Indicators**

The Director of Quality, HE and Professional reported against the RAGG (red/amber/ green/ gold) rated Key Performance Indicators:

- Main qualification attendance was amber at 88.7% (target 91%) and English and maths attendance was red, being below both target (86%) and prior year out turn figures. Areas identified as having very poor attendance were using the target setting process to engage with students and improve attendance trends.
- Retention was green at 94.3% overall (target 92% overall). This demonstrated the impact of the robust approach to recruitment and the effective implementation of the student probation process, ensuring that students were on the right courses.
- The November 2018 GCSE English and Maths resit results showed an improvement on final outturn in 2017/18.
- The percentage of learners with SMART targets set was red at 91.2% against a target of 100%. This was the ProMonitor figure and some courses used other methods to measure progress, such as English and maths (which used workbooks) and Access courses. Curriculum Directors were sampling the quality of the targets set and staff were set targets for target setting.
- Academic progress of learners was red as measured by ProMonitor. The score did not reflect the true status because the ProMonitor figure relied on targets and completion of marked units and there were anomalies in the system due to the differing types of qualifications delivered across the college and the multitude of assessment methods and schedules used. For example, NVQ programmes would not show progress on the system until completion later in the year. The College was following up progress with students identified as being at risk of not completing and was further refining the collection and use of this data.
- Feedback on the key questions in the Learner arrivals survey was green and the Higher Education survey results would be added to the next report.

Governors challenged the Director of Quality, HE and Professional, asking:

- Was there correlation between poor attendance and low English and maths results? Why had English and maths attendance fallen from the previous year? In terms of the resit results, students who were repeat sitters with a history of failure and low motivation were most likely not to attend. The students who sat the November exam would have been attending and engaged and the pass rates were therefore higher. Last year had been particularly strong in terms of attendance, but disappointing in full year results.

- There seemed to be several issues with data – were these being resolved? The data recording issues were now known and documented, with work ongoing to resolve them.

Lucy Hodgson joined the meeting at this point

iii) **Financial Key Performance Indicators**

The Director of Finance presented data for the period to 31 December 2018, including RAG rated indicators for financial outturn (red), financial health (2 green, 1 amber) and bank covenants (1 green, 1 red), an actual against budget operating surplus analysis and cash forecast for 2018/19 and cashflow forecasts for 2018/19 and 2019/20. The current projection for the year end was a £640k deficit against a budgeted £177k deficit with good financial health.

In terms of income, the first full Individual Student Record submitted in December 2018 showed a reduction in projected adult funding of £61k (after incorporating further enrolments expected within Inclusive Learning with Princes Trust, NEET provision and the IT Skills Centre). Fee income projection was a mixed picture but an overall projected reduction of £254k, largely resulting from reduced Further Education course fees. In terms of expenditure there were additional non pay costs and higher costs for inter-site travel and reactive maintenance, reported previously.

Governors challenged the Director of Finance, asking:

- The increased deficit and potential year end covenant breach were cause for concern. How were the deficit and cash balance issues being addressed? The Director of Finance had supplied a schedule requested by the Audit Committee Chair which showed cash movements and the impact of capital expenditure and loan repayments. This was in the papers for the Audit Committee meeting on 5 March 2019. Senior Leadership Team action being taken includes reviewing reappointments to staff vacancies arising, monitoring student number reductions and looking at capital spends, capital grant releases and depreciation and reviewing year end payments to suppliers. The Principal stated that the position reflected the sector, with lack of capital funding and student number fluctuations causing greater cash risk. The Vice Principal and Deputy Chief Executive Officer stated that the College was relatively healthy compared with the national picture. Financial health was expected to remain good throughout the year despite the breach and loan balances being included in short term liabilities.
- What action was being taken in respect of the potential year end covenant breach? The NatWest loan was the smaller College loan. On breach two years previously, NatWest had kept the situation under review but had not sought to impose different conditions. The College would maintain dialogue with NatWest but felt that renegotiation of covenant terms would not be cost effective.

iv) **Learner Number Update**

The Director of Finance presented the Student Number figures against target as at 4 February 2019, which now included comparative data as requested by the Corporation. 16-18 full time learners were at 97% of target (not subject to in year reduction but total after the six week funding point used to calculate future numbers) with some withdrawals after the six week funding point which could reduce the retention rate within the funding allocation. Adult classroom funding was projected at 74% but could increase with further enrolments to Foundation Learning courses anticipated. “Carry in” Apprenticeship funding (for learners who commenced before August 2018) was strong, with new starts for 16-18 year old Apprenticeship funding projected at 113% and 19+ adult apprenticeship

funding at 78% (both after adjustment for starts not yet input onto the system. Higher Education students were at 94% of target.

v) Health and Safety Update – Term 1 2018/19 year

The full Health and Safety Report was available on the Governor Portal. The Vice Principal and Deputy Chief Executive Officer reported that there had been 131 reported incidents, including 59 accidents (Term 1 2017/18: 113 reported incidents, including 46 accidents). There were no accidents to be reported under RIDDOR (Reporting of Injuries Diseases and Dangerous Occurrences Regulations 2013). Term 1 always had higher accidents due to the number of students learning new skills. All accident reports had been reviewed by the Health and Safety Manager with no significant issues identified.

Other Health and Safety work reported included Health and Safety training, First Aid training and needs analysis and action proposed, professional Health and Safety advice from Hettle Andrews Associates Health and Safety Audit and proposed further audits of high risk areas, Fire Evacuation Drills with no significant issues identified and Radiation Management regulation observance. Workplace Assessment procedures had been developed with two assessment procedures being introduced applying to Apprentices (where the burden of responsibility is predominantly on the employer) and work placement students (where the College has a duty of care to exercise more diligence in assessing the workplace).

Governors challenged the Vice Principal and Deputy Chief Executive Officer asking:

- Why was there an upward trend in term 1 incidents and accidents? There were now better reporting procedures and an increase in the number of people in higher risk areas such as the nursery, catering, construction and hair and beauty.

The Corporation **RECEIVED** the Principal's Report, **NOTED** the Annual Report of Her Majesty's Chief Inspector of Education, Children's Services and Skills 2017/18 and **MONITORED** progress against targets.

33.7 STRATEGIC FOCUS

i) College Strategic Plan 2018 – 2021

The Director of Quality, HE and Professional presented the RAG rated College Strategic Plan monitoring report, which recorded progress against the Term 1 milestones. Of the 44 actions, 4 were rated green – completed and achieved, 30 green and 10 amber. The Director of Quality, HE and Professional provided a comprehensive summary of progress across the four strategic markets including::

- **14-16 year olds:** The current demand for pupil referral unit places in Worcestershire was being met, so therefore the plan to pursue virtual PRU further had been stopped. (Completed and achieved). New school links programmes for year 10 students in Automotive at Worcester and Engineering at Bromsgrove had met the target to have over 100 learners in school link provision with 122 students, an increase of 40. (Completed and achieved.)
- **16-18 year olds:** The College continued to explore other opportunities such as those for Institutes of Technology and the introduction of the new T Level qualifications. NEET programmes had recruited well in 2018-19 and STEP provision had been relaunched as "Prospects" with exciting pathways such as Care, Media, IT and Sport in addition to a Preparation for Apprenticeship option. SEN provision had grown high needs provision to above 200 (completed and achieved) and had an additional in-County allocation of 15

places in 2018/19 (completed and achieved). The College remained alert to the opportunity to co-create accommodation for 'out of county' SEN students.

- **Adult learners:** The Adult Education Budget spend was on-going through college activities and work with key partners. There were discussions over devolution through the strategic partnership with the West Midlands Combined Authority which had secured a £100k contract to deliver Construction training in the West Midlands. The College remained active in the community. Discussions were underway to develop Higher Education provision with potential new courses in 2020 and the College had achieved Office for Students registration.
- **Business and Commercial Development:** The College continued to respond to the changing Apprenticeship landscape and service standards for Apprenticeships and Solutions/employer focussed services have been reviewed and communicated. The higher apprenticeship landscape remains turbulent nationally but the new Higher Apprenticeship in Human Resources had recruited well.

Governors challenged the Director of Quality, HE and Professional, asking:

- Which Higher Education courses were being considered? There were early stage discussions with two possible partners for Media and IT and Foundation Degree courses.
- What impact would the decline in 16 – 18 year olds have on future funding? There was a possible reduction of some 80 16-18 year old students with associated funding impact of some £300 – 350k.

A Governor who had benefitted from early engagement with the College commented that it was heartening to see the increased schools link work.

The Corporation **MONITORED** progress against the detailed strategic objectives for 2018/19

ii) **Higher Education Strategic Plan**

The Director of Quality, HE and Professional presented the RAG rated College Strategic Plan monitoring report, which recorded progress against annual milestones under the strategic themes: Resourceful, Innovative, Stimulating and Excel. Of the 18 actions, 12 were rated green, 4 amber and two red. Achievements included the opening of the CODE at Worcester and the Office for Students registration. Current red rated areas for further development were to extend the delivery of on-line higher education, pioneering new techniques and to provide Continuing Professional Development opportunities for employers by creating a framework of part time flexible and on-line delivery higher education opportunities. A Governor commented that the latter would be very valuable.

The Corporation **MONITORED** progress against the detailed Higher Education strategic objectives for 2018/19

The Director of Quality, HE and Professional left the meeting at this point.

33.8 - **CONFIDENTIAL ITEMS**

10 *These items are recorded as Confidential Minutes 1 of 1*

GOVERNANCE

33.11 **Governance and Search Committee**

i) The Corporation **RECEIVED** the Minutes of the meeting held on 29 January 2019

ii) **Potential Reappointment**

The Corporation **REAPPOINTED** Steve Bolton to a second and final four year Term of Office as a Corporation Member, Member of the Audit Committee and Business Development Governor Champion from 28 April 2019 to 27 April 2023 and looked forward to his return from approved leave of absence on 1 March 2019.

iii) **Governance Improvement Plan**

The Corporation **NOTED** that the Governance and Search Committee had monitored progress against the Governance Improvement Plan Milestones for 2018/19 and additional entries in respect of Weston College links and ETF Governor Development Programme pilots.

iv) **Department for Education (DfE) Governance Guide**

The Clerk to the Corporation explained that the DfE had issued a new Governance Guide which was provided for use by Governors. Although a copy was provided in the Supporting papers it was designed to be interactive and responsive to enquiries, with many hyperlinks throughout. It can be found at: <https://www.gov.uk/guidance/fegovernance>.

The Corporation **APPROVED** the recommendation that all Governors should review the "Further Education Corporations and Sixth-Form College Corporations: Governance Guide" from the DfE <https://www.gov.uk/guidance/fegovernance> and **AGREED** to send any questions and confirmation of review to the Clerk to the Corporation.

Members/
CC

v) **Governor Insight Scheme – Autumn Term 2018**

The Governor Insight Scheme Champion reported that there had been nine events with 24 attendances in the autumn term. The Principal's attendance was now included in a separate column. Members were encouraged to request Learning Walks and to mix classroom and practical elements.

The Corporation **RECEIVED** a revised summary of activity from the Governor Champion.

33.12 Workshops

i) The Chair invited Members to propose topics for the 19 May 2019 Workshop, which should be tailored to Governors' needs. Governors were supportive of the suggestion of a review of Quality and the new Ofsted framework. A Governor who had attended the recent Peer Quality Review session as part of the Governor Insight Scheme explained that Department Heads had presented their "three big ideas" with enthusiasm, conveying a great sense of innovation which should be shared with the Corporation. The Principal suggested an alternative of Department Heads talking about last year's big idea and how it was being delivered. The Clerk to the Corporation stated that this had been a feature of previous Away Events. Further suggestions were welcome.

ii) The Corporation:

- **CONSIDERED** and **AGREED** possible workshop topics for 7 May 2019 as Quality Matters and an Update on new Ofsted Framework and its implications from the Director of Quality, HE and Professional
- **REQUESTED** the inclusion of the Departmental "Three big ideas" approach seen in quality reviews in a future Workshop or Away Event
- **AGREED** to send further suggestions to the Clerk to the Corporation

P/ Ch/ CC

Members

33.13 Corporation Calendar

i) The Corporation:

- **CONSIDERED** the draft Corporation meeting schedules for 2019/20

- **REQUESTED** the addition of Quality Group dates and other known events which Governors were invited to **CC**
- **AGREED** to let the Clerk to the Corporation know if they foresaw any difficulties with any of these dates or with the proposed structure. **Members**

33.14 Corporation Training Update

i) The Student Governor reported on the Midlands Governors Conference on 5 February 2019 which had included presentations on:

- The Insolvency regime (Andrew Jordan, Eversheds Sutherland)
- The Education Inspection Framework (David Corke, AoC)
- The work of Further Education Commissioner (Andrew Tyley, Deputy FE Commissioner).

The day had been very worthwhile and the Student Governor had made useful contacts.

The Corporation **NOTED** feedback from recent Conferences and Training Events.

ii) The Chair reported that Fiona Hellowell and the Clerk to the Corporation were on the Governor Development Programme national Steering Group and thanked the seven Governors who had signed up to test the pilot modules. Weston College had invited Governors to participate in their Training Day on 4 April 2019. A small number would attend in person, with other Governors invited to join in a Skype session to discuss the modules and training provision.

A Governor asked what the intention was behind closer working with Weston College. The Principal stated that there were potential opportunities for collaboration in such areas as Weston College's successful bid for the South West Institute for Technology (SWIFT) and future bids. Governors felt that it was always useful to build bonds and relationships, regardless of intent and this sat within the Partnership Value of the College.

The Corporation **NOTED** engagement with the Governor Development Programme and the Weston College link.

33.15 Any Other Urgent Business

There was no other Urgent Business.

33.16 Meeting Reflection

i) Members felt that the meeting had been concise and agreed to complete the Meeting Effectiveness forms.

ii) Members **REVIEWED** the meeting and **CONSIDERED** Governor "impact".

33.17 Date and Time of Next Meeting

i) Tuesday 19 March 2019, Corporation Dinner 5pm for 5.15pm, The Source, Worcester, followed by the meeting at 6.30pm

The meeting closed at 7.07pm

Signed:

Date: