

**CORPORATION**

**FINAL SIGNED Minutes of the Meeting held on Tuesday 16 July 2019**

**at 5.30pm in O2.03 Osprey House, Redditch**

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| **Present** |  |  |
| **Governors:** | Neill Bucktin | Chair |
|  | Denis Miles | Vice Chair |
|  | Steve Bolton |  |
|  | Kevin Gaffney |  |
|  | Fiona Hellowell |  |
|  | Tony King |  |
|  | Stuart Laverick | Principal |
|  | Paul McCunn |  |
|  | Sue Nicholls |  |
|  | Robert Pearce |  |
|  | Nicki Pearsall |  |
|  | Gary Woodman |  |
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| **In Attendance:** | Nicki Williams | Vice Principal and Deputy Chief Executive Officer |
|  | Cherie Clements | Director of Finance |
|  | Tony Green | Director, Funding, Data and External Contracts |
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|  | Sue Frost | Clerk to the Corporation |

|  |  | **Action** |
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|  | *The meeting was preceded by training for Audit Committee Members, kindly provided by Louise Tweedie (RSM) and Tony Felthouse (KPMG) and attended by Tony King, Denis Miles and Sue Nicholls.* |  |
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| **36.0** | **Apologies** |  |
| **i)** | Apologies were received from David Ash, Tony Ciriello, Sara Finch, Peter Heath, Lucy Hodgson and Debbie Morris. Nicki Pearsall and Gary Woodman were expected but had been delayed. |  |
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| **36.1** | **Declarations of Interest** |  |
| **i)** | Members were asked to declare any Interests, financial or otherwise, which they may have in any Agenda Item. Paul McCunn declared that his wife is a College employee. Senior Post Holders had an interest in the Remuneration Committee Minutes and would withdraw for that item. Withdrawals for other Interests were shown on the Agenda. |  |
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|  | *The Principal and Senior Leadership Team attendees left the meeting at this point* |  |
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| **36.2** | **Corporation Private Session** |  |
| **i)** | Members were invited to raise any issues which they wish to discuss in the absence of College Management. This Item is recorded as Confidential Minute 1 of 4. The issues considered were discussed with management in the meeting, as referenced throughout the Minutes. |  |
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|  | *Nicki Pearsall joined, and the Principal and Senior Leadership Team attendees returned to, the meeting at this point* |  |
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| **36.3** | Minutes of the Last Meeting |  |
| **i)** | Minor amendments were highlighted in the papers. The Corporation **APPROVED** the revised Minutes of the meeting held on 11 June 2019 as a true record for signature by the Chair. |  |
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| **36.4** | **Matters Arising** |  |
| **i)** | The Corporation reviewed the Action Points report and noted progress. Members acknowledged the additional information provided in the notes. Seven actions had been completed or would be completed during the meeting and eight carried forward, including the revised Governor Privacy Notice which was not yet finalised. |  |
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| **ii)** | The Vice Chair challenged managers, raising the issue of Student Behaviour discussed in the Private Session, stating that Governors had expressed their surprise and shock about the information provided at the 11 June 2019 meeting and that there was some concern that this had not been proactively reported to the Corporation. The Principal stated that the incidents reported had been unusual but that the Police were regularly called to attend the College for a variety of matters, including students fighting and drug dealers near the premises, and that staff at all levels were involved in managing such behaviour. The Vice Principal and Deputy Chief Executive Officer stated that the College was encouraged to report even minor incidents on and around the premises which formed part of Police statistics and that logs of Police calls would therefore be extensive. After further discussion Governors expressed their concerns for both staff and student safety at what appeared to be the norms under which the College now operated and the negative impact of mobile phone apps and social media in escalating disagreements. |  |
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| **iii)** | Governors asked what action had been taken in response to the reported incidents and the Principal confirmed that a student had been expelled, with access revoked and an investigation had taken place. Audit Committee Members noted management awareness of heightened risk as the Risk Register Score had been raised in this area. Governors noted that Ofsted’s comments on behaviour had been about minor issues such as wearing coats in lessons and the Vice Principal and Deputy Chief Executive Officer said that other issues had always been present as well, but were not related to the classroom and would therefore not have been seen or reported on by Ofsted Inspectors. |  |
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| **iv)** | Governors requested more regular information about these challenges faced by the College in order to understand what was happening and provide appropriate support to fulfil their duty of care to staff and students. The Principal asked for examples of such reporting in NHS Hospital Trusts as guidance as to what sort of matters should be reported to Governors and agreed that a report would be developed | **SN/ P** |
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| **v)** | The Corporation **MONITORED** action taken and remaining to be taken in respect of Matters Arising from the Minutes of previous meetings and Notes of workshops. |  |
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|  | *Gary Woodman joined the meeting at this point.* |  |
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| **36.5** | **Determination of Any Other Urgent Business** |  |
| **i)** | There was no other urgent business. |  |
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| **36.6** | PRINCIPAL’S REPORT |  |
| **i)** | **Principal’s Update for Governors** |  |
|  | The Principal’s Report included commentary and the College response on:   * T-Level support for employers * Digital Functional Skills * Special Educational Needs and Disability (SEND) and Alternative Provision (AP) * Boris Johnson’s claims about Further Education * The future of Applied General Qualifications |  |
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| **ii)** | **Curriculum and Quality Key Performance Indicators (KPIs)** |  |
|  | The Principal reported that there had been little change since the 11 June 2019 report. The papers included RAGG (red/ amber/ green/ gold) rated Key Performance Indicators. Key statistics were:   * Main qualification attendance was 86.4% (target 91%) and English and maths attendance was red, being significantly below target (86%). * Retention was green at 92.4% overall (target 92% overall). * The percentage of learners with SMART targets was red at 91.3% (target 100%). * Academic progress of learners as measured by ProMonitor was 96.8% (target 90%). (The Principal had RAGG rated this as amber rather than gold, as the target setting target had not been achieved.) * Feedback on the key questions in the Learner Satisfaction Survey was mixed with the score for students who would recommend the College being red at 87.5% (target 95%). * Feedback on the key questions in the Higher Education survey results for February were both green but amber based on the National Student Satisfaction survey. |  |
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|  | The Audit Committee Chair challenged managers, raising the issue of English and Maths attendance discussed in the Private Session, statingthat he had looked at attendance statistics from 2016/17 and that there had been a noticeable decline in attendance. Governors appreciated that the cohort had widened. The Principal stated that this had been a continual challenge and various new initiatives would be tried in 2019/20. In answer to a question the Principal confirmed that this had not been affected by resource constraints. |  |
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|  | A Governor asked whether all students now had targets set. The Principal stated that some were still not on the system. Governors agreed that better and quicker compliance was required and the Principal stated that support was being provided to some areas. |  |
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|  | Governors expressed disappointment that more students would not recommend the College which the Principal mirrored. Governors asked whether this was affected by the incidents of poor student behaviour but the Principal felt that it was more likely to be related to lack of achievement of some students. |  |
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| **iii)** | **Financial Key Performance Indicators** |  |
|  | The Director of Finance presented data for the period to 31 May 2019, including RAG rated indicators for financial outturn (1 red), financial health (2 green, 1 amber, good) and bank covenant (1 green), 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 £440k operating deficit (£439k operating deficit reported for the period to 30 April 2019) against a budgeted £177k operating deficit with good financial health. In addition, Exceptional Restructuring costs were projected at £164k. Financial Health was expected to be “Good”. This projection formed the basis of the later Financial Plan. |  |
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|  | The Quality Group Chair challenged managers, raising the issue of the staff impact of revenue cuts discussed in the Private Session, stating that Governors were concerned about the mention of vacancy management being used to save costs. Did this happen a lot and what was the impact of this on other staff? The Director of Finance reminded Governors of the difficult financial situation faced by the College and said that each vacancy was critically reviewed to assess whether it was really needed or whether things could be done differently. The College would hold off appointments unless they directly affected students. The Principal however, stated that it was disingenuous to regard this as a solution; it was getting to a level where it was no longer tenable. Governors were concerned at the impact on staff where resource was spread very thinly and asked whether this had caused the increased spend on maternity and sickness. The Vice Principal and Deputy Chief Executive Officer stated that the College remained slightly better than the sector average for sickness, which had been affected by a few long term sick leaves as agency staffing for these posts was expensive. There were no discernible patterns indicating that staff were “cracking” and therefore having time off. |  |
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|  | Governors were aware that there was a need to focus on cash in 2019/20. |  |
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| **iv)** | The Corporation **RECEIVED** the Principal’s Report and **MONITORED** progress against targets. |  |
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|  | **STRATEGIC FOCUS** |  |
| **36.7** | **Learner Voice** |  |
| **i)** | The full Learner Voice Report was in the main papers with the Action Plan in the Supporting Papers. The Vice Principal and Deputy Chief Executive Officer explained that it included strong information on student engagement and activities such as fundraising as well as fuller reports on student satisfaction surveys. The score for understanding British Values had declined by 4.3% and this was reflected in the Action Plan. |  |
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| **ii)** | The Corporation **RECEIVED** the Learner Voice Report for 2018/19, **NOTING** the Student Satisfaction Survey overview and the Learner Voice Action Plan. |  |
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|  | **TEACHING LEARNING AND ASSESSMENT** |  |
|  | **External Partnerships** |  |
| **36.8** | **Subcontracting Performance Report** |  |
| **i)** | The Director, Funding, Data and External Contracts presented the May 2019 internal PICS (Learner Management System) overall achievement rate (the % of learners achieving, measured against those due to achieve in that year) and timely achievement rate (the % of learners achieving before or within 90 days of their planned achievement date) for each subcontracted partner for Apprenticeship and Adult Education Budgets. For apprenticeships, overall achievement was at 65.3% (prior year equivalent point 67.4%) and timely achievement was at 56.1% (prior year equivalent point 42.2%). For the Adult Education Budget, overall achievement was at 94% (prior year equivalent point 96.2%) and timely achievement was at 84.8% (prior year equivalent point 78.4%). |  |
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|  | In answer to Governors questions, the Director, Funding, Data and External Contracts said that stretching targets were agreed with each partner individually, that inactive partners were working out old contracts but had no new starts and that he had been unable to accept partners wishing to return but to non-levy contracts due to funding constraints. When asked what the forecast was like for 2019/20, the Director, Funding, Data and External Contracts stated that the College continued to work well with the active partners and offered services to some commercial partners, such as assistance with the Individualised Learner Record. The 2,200 Adult Education Budget cohort was less risky then Apprenticeships as it had three funding sources. |  |
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|  | The Corporation **MONITORED** partner performance/ quality outcomes to date in 2018/19. |  |
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| **ii)** | **Subcontracting Contracts for 2019/20** |  |
|  | The papers included a breakdown of partners and draft Maximum Contract Values (MCVs) for Apprenticeships and Adult Education Budget for 2019/20. The Director, Funding, Data and External Contracts stated that these were provisional sums and no detailed conversations had yet been held. The MCVs were maximum values for funding management rather than targets but college management fees were based on these. The Chair asked how the Corporation could “determine that partners are high quality and low risk”, and the Director, Funding, Data and External Contracts stated that all partners proposed were old ones with good performance data, well known to the College. The College would not propose high risk partners so previous achievement, credit rating and due diligence were all part of this assessment. The Director of Finance confirmed that funding was paid to partners net of the College management fee. |  |
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|  | The Corporation **DETERMINED** that the proposed subcontracting partners were of high quality and low risk and **REVIEWED** and **APPROVED** the list of proposed partners, subcontracting fees and draft subcontracting contract Maximum Contract Values for 2019/20. |  |
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| **iii)** | **Partner Management Fee Policy 2019/20** |  |
|  | The Partner Management Fee Policy was included in the papers and would be published on the website. The Director, Funding, Data and External Contracts stated that the main changes were made to the management fees section, outlining services provided in costed terms which was a requirement under new ESFA regulations applicable from August 2019. Governors asked about the range of fees, which started at 9% and the Director, Funding, Data and External Contracts stated that these were negotiated individually with reference to performance, with a starting price lower than in many Colleges and with a top level of 25%. |  |
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|  | The Corporation:   * **APPROVED** the revised Partner Management Fee Policy for 2019/20 * **AUTHORISED** the Chair and the Principal (as Chief Accounting Officer) to sign the Partner Management Fees Policy and subcontracting fees for 2019/20 |  |
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|  | *The Chair thanked the Director, Funding, Data and External Contracts who left the meeting at this point.* |  |
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| **36.9** | **Value Added - Student Progress** |  |
| **i)** | The Principal presented the Vice Principal Vocational and Technical Education’s report which covered Pro Monitor Progress, Learning Walks, Peer Observations, Advanced Quality Practitioners and Learner Voice activity. The Principal stated that 242 peer observations had been completed in 2018/19, compared with 196 formal observations in 2017/18 and staff were very positive about it. With regard to Pro Monitor progress, data at the time of the report showed that 93% of students had been set SMART targets during the academic year but that some 38% of students were working below the target set. This had several causes including target setting basis issues, challenges posed by the BTEC external exams and the demotivating impact of low or unconditional offers for university. |  |
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| **ii)** | Governors questioned management, asking:   * Are Peer Observations consistent? This was the first year so consistency would improve over time. * What was the point about “Inconsistent application of student standards may contribute to students feeling unfairly treated”? This referred to a perceived inconsistent use of student sanctions. |  |
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| **iii)** | The Corporation **RECEIVED** a summary report of progress including qualitative reflections from student surveys and reflections from learning walk observations and dialogue |  |
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| **36.10** | **Higher Education - Academic Board** |  |
| **i)** | The Corporation **RECEIVED** the Minutes of the Academic Board meeting held on 9 May 2019, verbally reported on 11 June 2019. |  |
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| **36.11** | **Quality Group** |  |
| **i)** | The Principal reported that the Quality Group had achieved useful things in the year, looking at progress and digital futures but that the Group had considered whether it added enough value, or was helpful to SLT or to Governors as few attended. The Group had agreed that it should be disbanded as it was not helpful as constituted although it had also considered Terms of Reference form Curriculum and Quality Committees. The Principal proposed instead seeking Governor input direct to SLT members for specific tasks and the Corporation noted that the Principal had asked the Quality Group Chair and Appeals Committee Chair to help with a Higher Education piece due to their specific expertise. |  |
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| **ii)** | A Governor asked how the issue of Maths and English attendance would be addressed without a Quality Group and the Principal suggested that a Task and Finish Group could be established by the Corporation to “deep dive” into a specific area. The Audit Committee Chair recalled a previous Quality Group meeting being shown specific data which indicated that there was an adverse impact on the statistics from a small group of very poor attenders and there had also been feedback from students about lesson length and timing. Governors agreed that such a focus would be helpful and the Principal requested a delay until November 2019 when the 2019/20 initiatives would be bedded in. |  |
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| **iii)** | The Quality Group Chair reminded all present that Governors should not be involved in management issues and that it was important to maintain the Governance/Management divide and not advise management if requested to participate in a matter by the Principal or SLT member. |  |
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| **iv)** | The Vice Chair challenged the Principal, raising the issue of the Senior Leadership Team (SLT) Redundancy discussed in the Private Session, asking whether there was as yet any clarity as to where Quality and Higher Education management would sit. The Principal stated that he would send out details of new structures over the summer. | **P** |
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| **v)** | The Corporation:RECEIVED the full year report from the Quality GroupAGREED TO ESTABLISH a Task and Finish Group to investigate the decline in Maths and English Attendance and report back to the Corporation as a test to ensure whether such groups would be a good mechanism to ensure quality. | **CC/ P** |
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| **36.12** | **Ofsted Education Inspection Framework** |  |
| **i)** | The papers included the Education Inspection Framework and the Further Education and Skills Inspection Handbook was included in the supporting papers and available on the Governor portal. The Principal reported that, following consultation, Ofsted had agreed to retain the separate SEND grading and to drop the suggestion of an on site planning meeting. Ofsted needed to understand the start point of College students, but this was a training need for them to address. Russell Jordan HMI would attend the Away Event and report on the early operation of the new framework, which was undoubtedly more subjective. Governors expressed concern that Ofsted would remain schools focused, with Colleges being reviewed under an inappropriate system. |  |
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| **ii)** | The Corporation **RECEIVED** the Education Inspection Framework |  |
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| **36.13**  **-**  **36.17** | **CONFIDENTIAL ITEMS**  *These items are recorded as Confidential Minutes 2 of 4.* |  |
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|  | **AUDIT COMMITTEE** |  |
| **36.18** | **Audit Committee Minutes** |  |
| **i)** | The Chair outlined the meeting and reported that the Audit Committee had agreed to advise the Corporation that Members had discussed the Further Education Risk Register Analysis - Managing risks effectively, efficiently and proportionally – 2019 analysis Report from RSM and had agreed appropriate action in response. The Audit Committee had noted the Internal Audit Progress Report and agreed to advise the Corporation that the Learner Number Systems: Compliance Testing Report was an advisory review so had no overall assurance level, with 6 low, 4 medium and 1 high priority agreed management actions; the Follow Up Report showed that Good Progress was being made to implement agreed actions; the Student Support Arrangements Report provided Substantial Assurance with no agreed management actions, which was rare and the Higher Education Framework Report provided Reasonable Assurance with 4 medium and 1 low priority agreed management actions. |  |
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|  | Financial Statements Audit FeeThis matter is recorded as part of Confidential Minutes 2 of 4. |  |
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|  | The Corporation RECEIVED the Minutes of the Audit Committee meeting on 25 June 2019, NOTING the Audit Committee’s advice. |  |
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|  | **Audit Committee Recommendations** |  |
|  | The Corporation **APPROVED** the following items, on the recommendation of the Audit Committee: |  |
| **ii)** | The Internal Audit Strategy 2019/20- 2021/22 and Plan for 2019/20 |  |
| **iii)** | The Financial Statements Audit Plan and Strategy for the year ending 31 July 2019 |  |
| **iv)** | Changes to the Value for Money Policy |  |
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|  | **GOVERNANCE** |  |
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|  | *The Vice Chair left the meeting at this point* |  |
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| **36.19** | **Vice Chair Election/ Appointment** |  |
| **i)** | The Corporation **NOTED** that a single nomination was received for the role of Vice Chair and **REAPPOINTED** Denis Miles as the Corporation Vice Chair for 2019/20 – 2020/21. |  |
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|  | *The Vice Chair returned to the meeting and the Chair congratulated him and thanked him for his continuing service* |  |
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| **36.20** | **Corporation Self Assessment** |  |
| **i)** | The Chair thanked Members for their time and for their comments in the one to one meetings which he had found very useful. The feedback would be reported to the Governance and Search Committee and action taken as appropriate. |  |
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| **ii)** | The Corporation **NOTED** progress in completing the one to one reviews with the Chair. |  |
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| **36.21** | **Students’ Union Officers** |  |
| **i)** | The Corporation **NOTED** the results of the Students’ Union Elections. |  |
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| **36.22** | **Any Other Urgent Business** |  |
| **i)** | There was no other urgent business. |  |
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| **36.23** | **Meeting Reflection and Thanks** |  |
| **i)** | Members discussed the best way to review meetings in 2019/20 as the Clerk to the Corporation felt that there had been limited response to the opportunity for an end of meeting discussion. Governors felt that they reflected better on the meeting over the following day or two. It was **AGREED** that the feedback forms should be completed either on the day or returned in the next few days. |  |
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| **ii)** | The Chair thanked Nicki Pearsall, who was finishing her term of office as a Student Governor and presented a card, certificate and voucher from the Corporation and thanked continuing Governors for their service in 2018/19. |  |
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| **36.24** | **Date and Time of Next Meeting** |  |
| **i)** | Corporation Workshop: Tuesday 10 September 2019, 5.00pm for 5.30pm, 02.03 Osprey House, Redditch |  |
| **ii)** | Tuesday 8 October 2019, 5.00pm for 5.30pm, The Source, All Saints Building, Worcester |  |
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|  | *In accordance with the Corporation resolution under Instrument 13 of the Instrument and Articles of Government, the Student Governor left the meeting at this point.* |  |
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| **36.25 – 36.27** | **RESTRICTED CONFIDENTIAL ITEMS**  *These items are recorded as Confidential Minutes 3 of 4* |  |
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|  | *The Principal and Vice Principal and Deputy Chief Executive Officer left the meeting at this point.* |  |
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|  | **X RESTRICTED CONFIDENTIAL ITEM** |  |
| **36.28** | *This item is recorded as Confidential Minutes 4 of 4* |  |
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|  | The meeting closed at 8.07pm. |  |
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|  | **Signed:** |  |
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|  | **Date:** |  |
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Sue Frost

Clerk to the Corporation

18 July 2019