

CORPORATION

APPROVED DRAFT Minutes of the Meeting held on Tuesday 11 February 2020 at 5.30pm

in Room O2.03, Osprey House, Redditch

Present

Governors:

| | |
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| Neill Bucktin | Chair |
| David Ash | |
| Sara Finch | |
| Kevin Gaffney | |
| Peter Heath | |
| Lucy Hodgson | |
| Tony King | |
| Stuart Laverick | Principal |
| Paul McCunn | |
| Denis Miles | Vice Chair |
| Debbie Morris | |
| Sue Nicholls | |
| Susannah Twigg | |
| Gary Woodman | |

In Attendance:

| | |
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| Michelle Pearson | Hettle Andrews – Item 1 only |
| Adam Webb | Hettle Andrews – Item 1 only |
| Dan Matthews | IT Support – Item 1 only |
| Julia Breakwell | Vice Principal Information Systems and Student Experience |
| Nicki Williams | Vice Principal and Deputy Chief Executive Officer – From Item 3 |
| Charlotte Swain | Vice Principal Vocational and Technical Education – From Item 3 |
| Cherie Clements | Director of Finance – From Item 3 |
| Peter Robinson | Assistant Principal Higher Education, Standards and Development – Item 11 only |

By Phone:

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| Sue Frost | Clerk to the Corporation |
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Action

- 39.1 Training Item: Governor Responsibilities for Health and Safety**
- i) Michelle Pearson from Hettle Andrews, the College insurance brokers, gave a PowerPoint presentation. Links would be provided to sentencing council guidelines and to HSE Prohibition and Improvement Notices for information. The Corporation noted that Hettle Andrews were happy to respond to Governor queries directly as part of their service. The presentation was recorded for future use with absent and new Governors. **CC/ HA**
 - ii) The following points were made in answer to Governors' questions:

- In the event of a serious incident it was unlikely that the Governors would be fined directly – the College would be fined.
- Governors were covered by College indemnity insurance, but insurance did not cover fines. It was rare for an individual to be prosecuted for Health and Safety offences in large organisations.
- In the event of a manager claiming to have provided training and not providing it, the individual would have acted fraudulently about this would also be a failing in due diligence by the College

- ii) The Corporation **RECEIVED** a presentation from Hettle Andrews and thanked Michelle Pearson for her input and for agreeing to be recorded.

Michelle Pearson, Adam Webb, Dan Matthews and the Vice Principal Information Systems and Student Experience left the meeting at this point.

39.2 Corporation Private Session

- i) Members were invited to raise any issues which they wish to discuss in the absence of College Management. Members discussed the Health and Safety presentation and agreed to raise questions under that Agenda Item.

The Principal and College Senior Leadership Team members joined the meeting at this point

39.3 Apologies

- i) Apologies were received from Steve Bolton, Fiona Hellowell and Robert Pearce.

39.4 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. Other Members confirmed that they had no interests to declare.

39.5 Minutes of the Last Meeting

- i) Minor corrections were highlighted in the papers. With regard to Minute 38.15 ii) David Ash's appointment as Director of Molinna Ltd should be from 31 July 2020. The date was corrected on the face of the Minutes. Molinna Ltd would hold an additional meeting to appoint the new Director as recommended by the Corporation and to register Paul McCunn's resignation as a result of end of term of office in due course and then the Clerk to the Corporation/Company Secretary would register the changes with Companies House.

CC

- ii) The Corporation **APPROVED** the revised Minutes and Confidential Minutes of the meeting held on 17 December 2019 as a true record for signature by the Chair.

39.6 Matters Arising

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

- 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 Workshops.

39.7 Determination of Any Other Urgent Business

- i) There was no other urgent business.

39.8 PRINCIPAL'S REPORT

i) Principal's Update for Governors

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

- **Ofsted's Annual Report.** The Principal highlighted concerns in the reduction of Level 2 and 3 provision and comments about overprovision of certain subjects. Learners chose what to study based on their interests but grew in confidence and skills whatever they studied. Filling demand for shortage subjects needed to start with schools.
- **Queens Speech – post 16 priorities.** The College would benefit from the additional funding (£188) per student but there was a need for more flexibility in investment funding and the shared prosperity fund. Discussions were ongoing with Worcestershire Local Enterprise Partnership and Worcestershire County Council. Adult learner numbers were reported as being at 1996 levels nationally.
- **ESFA slammed – concerns over financial health metrics.** the 'pre-announcement' of the Dame Mary Ney report, which was critical of the Education and Skills Funding Agency's financial health metrics, appeared to have prompted the rush to the Integrated Financial Model for Colleges. This was a later item.

A Governor asked about reports that Manchester was considering UCAS style applications for Apprenticeships under the devolved budget. Gary Woodman confirmed that Worcestershire Local Enterprise Partnership was also in discussion with UCAS.

Curriculum and Quality Key Performance Indicators

ii) 2019/20 year to date performance against targets

The Key Performance Indicators (KPI) report for the year to date included RAG (Red, Amber, Green) rated indicators against targets for Further Education attendance (2 red); classroom based retention (3 green); GCSE achievement at November resits (three green, one amber); GCSE progress (1 red 1 amber); Apprenticeship Achievement (1 green) and Higher Education retention/continuation (4 green); % of learners with SMART targets set (1 green); % of learners at or exceeding expected progress (pro-monitor) (1 green) Internal Progression (FE Classroom – based)(3 red, 1 green) Learner Voice arrival survey feedback (3 green) and staff absence (1 above, 1 below "target").

The Vice Principal Vocational and Technical Education reported that attendance had suffered from the "normal" January decline. Curriculum Areas were trialling a number of incentives including boost awards, competitions and rewards and were tracking what worked well in different areas. Learners below the main aim target had one to one meetings with CRQ leaders. The Principal stated that unusually, attendance was also low in the Special Educational Needs and Disabilities area which the Staff Governor corroborated saying that they had high levels of illness.

The College policy for November GCSE resits was that students had to be within 5 marks of a pass and fully engaged in the resit programme. The results were good in terms of passes and progress made. The Staff Governor pointed out that grade barriers had also gone up. Some Colleges such as Weston put all students in for the resits, but some were nowhere near passing and the College had not adopted this approach. The College continued to be inclusive, which did mean many students arrived with poor prior attainment.

With regard to the Matter Arising that final Apprenticeship achievement figures for 2018/19 had been expected this meeting, the Vice Principal Vocational and Technical Education explained that overall achievement results were still not

available because the Education and Skills Funding Agency had had to grant an extension due to the lack of end point assessors. This should be finalised at the next meeting.

VPVTE/
CC

The percentage of learners with SMART targets set was at 95.1%, rising to 99.2% once adjusted for Special Educational Needs and Disabilities learners (now using Earwig to record their targets) and HE students who only used Pro Monitor to report grades. The Staff Governor stated that a meeting was arranged with Earwig to resolve some issues.

The key questions from the Learner Arrivals survey under Stakeholder feedback had all been rated green.

iii) **Financial Key Performance Indicators**

The Director of Finance presented data for the period to 31 December 2019, including RAG rated indicators for financial outturn (1 green), financial health (3 green) and bank covenants (1 green) and an actual against budget operating surplus analysis and cash forecast for 2019/20. The current projection for the year end was a £660k operating deficit (previous meeting, 1,083k operating deficit) against a budgeted £881k deficit with good financial health.

The key changes had been clarification of funding and increased income for learners with high needs. The College had also benefitted from vacancy savings despite increased recruitment and extra groups.

A Governor asked about the provision for defined benefit obligations and the Director of Finance stated that it would remain at £29m, the actuarial valuation of 31 July 2019, until the College received an updated actuarial valuation as at 31 July 2020. However, the College had received a full triennial valuation as at March 2019 which indicated a deficit position of £4m. It was expected that this would in turn reduce the deficit position in July 2020.

A Governor asked about the nursery figures which were projected at £15k deficit against a budgeted £11k surplus, with overheads in addition to that. The Vice Principal and Deputy Chief Executive Officer stated that there were some issues in Worcester with students who had reserved a full time place but had started part time and only used the place for some sessions. Worcester had two nursery sites for different ages. Spaces were being advertised. Bromsgrove nursery was performing better but had a lot of external users, which the College was therefore subsidising.

iv) **Learner Number Update**

The Director of Finance presented the Student Number figures against target as at 4 February 2020. 16-18 Full Time & High Needs recruitment was projected at 100% and Adult Classroom Learning recruitment had reduced to 91% (previous meeting, 95%) of target. Apprenticeship numbers were at 107% for 16 – 18 year olds and 99% for adults. Higher Education recruitment (excluding the Chartered Institute of Payroll Professionals - CIPP) had increased to 91% of target. It was possible that Apprenticeship and Consortium income would increase, but only slightly.

v) **Health and Safety Update – Term 1 2019/20 year**

The full Health and Safety Report was available on the Governor Portal. The Vice Principal and Deputy Chief Executive Officer stated that there had been 81 reported incidents, including 41 accidents (Term 1 2018/19: 131 reported incidents, including 59 accidents). There were no accidents to be reported under RIDDOR (Reporting of Injuries Diseases and Dangerous Occurrences

Regulations 2013). All accident reports had been reviewed by the Health and Safety Manager with no significant issues identified. The reduction in incidents and accidents was welcome, although there had been an increase in “cut” injuries, in catering and elsewhere.

Other Health and Safety work reported included risk assessments, Health and Safety and First Aid training, Insurance site audits (with no improvements required at Bromsgrove and some routine improvements and recommendations for Worcester), fire evacuation drills and workplace assessment, all with no significant issues identified.

In answer to a Governor’s question, the Vice Principal and Deputy Chief Executive Officer confirmed that Health and Safety Committee meetings had formal Minutes and action points which were followed up.

The Principal thanked the Vice Principal and Deputy Chief Executive Officer and her team for managing Health and Safety well on the construction sites, including the Cathedral Building.

The Corporation **RECEIVED** the Principal’s Report, **NOTED** the Annual Report of Her Majesty’s Chief Inspector of Education, Children’s Services and Skills 2018/19 and **MONITORED** progress against targets.

The Vice Principal Vocational and Technical Education left the meeting at this point.

STRATEGIC FOCUS

39.9 Matrix

- i) The Vice Principal Information Systems and Student Experience gave a PowerPoint presentation on the Matrix Inspection which was a triennial re evaluation for a standard that was now held by many Colleges and had become an expectation. This included the process, key extracts, eleven key strengths and some areas for improvement (including digital strategy, stronger partnerships with commissioners for Special Educational Needs and Disabilities and promoting and celebrating achievement.
- ii) The Corporation **RECEIVED** a presentation on the Matrix reaccreditation and **RECEIVED** the Matrix Report and the Chair congratulated the Vice Principal Information Systems and Student Experience and staff on the positive report and successful reaccreditation.

Ch/ CC

The Vice Principal Information Systems and Student Experience left the meeting at this point

39.10 Integrated Financial Model for Colleges (IFMC)

- i) The papers included a letter from the College Finance Directors’ Group to the Education and Skills Funding Agency, which raised concerns about the Integrated Financial Model for Colleges (IFMC) including its limitations as a tool for monitoring given the lack of assumptions provided, its timing and the impact on staff working time. The Vice Principal and Deputy Chief Executive Officer was a signatory to the letter and supported it. The promised Version 6 model had arrived late on 6 February 2020 and was already throwing up spurious figures caused by concealed Education and Skills Funding Agency data.
- ii) The papers included actual, budget and forecast data in respect of the four years 2018/19 – 2021/22: Income and Expenditure, Balance Sheets, Statements of Cash Flows; detailed Cashflow Forecasts or Projections for 2019/20 – 2021/22

and Key Financial Indicator projections for 2020/21 – 2022. High-level assumptions were recorded in the Income and Expenditure workings. The Director of Finance 's intention was to use this information to populate version 6 of the IFMC and to draft a detailed narrative to accompany the spreadsheet on submission, with the completed the Financial Planning Checklist.

- iii) The Director of Finance explained the process undertaken to provide the papers, although full budgeting for 2020/21 was in progress. Bespoke projections had been built into spreadsheets with brief narratives. The College expected an additional £1.5m Education and Skills Funding Agency income from learner numbers and high needs students, based on 2019/20 learner numbers, additional funding per 16 – 18 year old learner and new weightings. The adult budget would not be achieved in 2019/20 so budget and projections were based on actual numbers and costs. Staff budgets included staffing for higher learner numbers and increases in wages assuming ongoing uplifts applied to reflect the rise in the minimum wage. Projections were prudent, worst case scenarios and no more capital expenditure projects were envisaged.
- iv) There was very little knowledge about 2020/21, so very limited uplifts had been projected, such as 50 additional 16 – 18 year old learners (as the demographic upturn should continue) and the pension deficit was assumed to continue at £28m, although this was expected to improve. The budget/projections at operating level were 2019/20 £674k deficit; 2020/21 £649k deficit; 2021/22 £1.6m deficit. Financial Health was projected as good then satisfactory in 2020/21. Cash balances should be maintained at around £4m.
- v) The Director of Finance explained that the Corporation was obliged to approve the Integrated Financial Model for Colleges, but it would be very difficult to provide it to Governors in a meeting format and difficult to explain it in a presentation. The College would use the information included in the meeting papers to populate the Integrated Financial Model for Colleges.
- vi) Governors challenged the Vice Principal and Deputy Chief Executive Officer, asking:
 - Was it realistic to think that Capital Expenditure could be confined to £900k reducing to £600k when historically normal capital expenditure had been over £1m? Recent capital expenditure had been able to proceed only with support from the Worcestershire Local Enterprise Partnership. There would not be any more projects, but the Government had to recognise that the sector needed capital funding for repairs, obsolescence and facilities. It was galling that Colleges who had been less prudent and financially astute than Heart of Worcestershire College had been given huge bailout sums on foundering. It was also important that Colleges demonstrated how constrained resources were.
 - The College Finance Directors Group letter indicated that the model was taking extensive staff time to complete. Why was it being required? The Education and Skills Funding Agency believed that this tool was the answer to spotting College in financial difficulty. The level of detail required was extraordinary and most headings had to be broken down into monthly payments. There were no standard assumptions, so they would not be comparable across colleges. Any College that was inept or fraudulent would continue to be so as their data would not be accurate in any case.
 - Would the data be updated regularly? No, this was intended to be an annual exercise, every February (the Vice Principal and Deputy Chief Executive Officer believed there had been a move away from requiring submission in January from 2021) and would replace other returns, including the budget

submission in July. The College would continue to produce the annual budget. It would take staff time and add no value. Moreover, the Education and Skills Funding Agency at one point suggested that colleges should fudge figures to make the spreadsheet balance.

vii) Governors concluded that they were happy with the college model documents and shared the concerns of the staff that this was an inadequate process.

viii) The Corporation:

- **NOTED** the content of the letter sent from the College Finance Directors' Group to the Education and Skills Funding Agency and **SUPPORTED** it
- **RECEIVED** an update on the current position regarding the Integrated Financial Model for Colleges completion and submission
- **APPROVED** the forecast data and assumptions as presented on 11 February 2020 to be used to populate the Integrated Financial Model for Colleges
- **DELEGATED** authority to the Chair, Vice Chair, Audit Committee Chair and Principal to approve the populated Integrated Financial Model for Colleges, the narrative and the checklist for submission to the Education and Skills Funding Agency on 28 February 2020.

**Chair/
Vice
Chair/
Audit
Committee Chair/
Principal**

Denis Miles left the meeting at this point. The Assistant Principal Higher Education, Standards and Development joined the meeting by telephone at this point and the Chair welcomed him back to the College.

TEACHING LEARNING AND ASSESSMENT

39.11 HE, Management & Professional Quality Improvement Plan 2019-20

i) The papers included the RAG rated, Management & Professional Quality Improvement Plan 2019-20 with 5 Quality Improvement Actions with semester-based milestones under each. The Assistant Principal Higher Education, Standards and Development reported that of the 14 separate milestones set for Semester 1, 6 were Green and 8 Amber. Good progress was being made on a number of amber points and some useful learner feedback and suggestions had been received. The Assistant Principal Higher Education, Standards and Development stated that progress was due to Claire Beaman, Adrian Price and the Higher Education Co-ordinating Team.

ii) The Corporation **MONITORED** progress against the Semester 1 actions for 2019/20.

GOVERNANCE

39.12 Governance and Search Committee

i) The Corporation **APPROVED** the Minutes of the meeting held on 28 January 2020.

ii) **Governor Recruitment**

The Clerk to the Corporation reminded Governors that they were provided with details by email on 30 January 2020 to circulate to their contacts and social media and other connections in order to make the search for diversity as broad as possible. The Governance and Search Committee had considered and agreed an advert, job description and person specification and had approved recruiting through the College Human Resource system because of its wide reach on many recruitment platforms. Individuals had also been approached through the Inspiring FE Governance website. To date there was one application and the

Clerk to the Corporation had had a conversation with another possible candidate. The closing date was 24 February 2020.

The Corporation **NOTED** progress with Governor recruitment.

iii) Governance Improvement Plan

The Governance Improvement Plan was included in the Supporting Papers.

The Corporation **NOTED** that the Governance and Search Committee has monitored progress against the Governance Improvement Plan Milestones for 2019/20

iv) Governor Insight Scheme – Autumn Term 2019

The Staff Governor updated the paper as she had attended the Jingle Bell Rock performance. The Clerk to the Corporation reported that, including that attendance, twelve different Governors (including the Principal) were involved across six events with eighteen Governor attendances in total in the autumn term. No Learning Walk opportunities were taken by Governors and so there were no feedback forms, but several Learning Walks were booked in for the spring term.

The Corporation **RECEIVED** a summary of Governor Insight Scheme activity.

39.13 Corporation Workshop

i) The papers included a summary of the suggestions made by Governors in advance of the meeting.

- Tours and Visits/Personal Development
- Governance Structure 2020/21
- Climate Change
- Staff Wellbeing

The Chair added consideration of RSM's "Trust in the Boardroom" to the list. A Governor suggested the impact of the budget and funding changes.

ii) Members discussed the options and felt that they all had merit. Climate change and environmental matters were topical and important to staff and students and the College had some progress to report. Worcester City Council was launching its Environmental Strategy and planning to be carbon neutral in 2030. The Clerk to the Corporation informed members that the Cycle of Business Task and Finish Group meeting had been rescheduled but that this would be good timing to consider any recommendations which might arise from that work.

iii) Members **AGREED** that a more detailed proposal for the 16 June 2020 Workshop would be made nearer the time.

**Chair/
CC**

39.14 Corporation Training Update

i) The Clerk to the Corporation had emailed Governors with details of how to find notes and presentations from recent events on the Governor Portal. The Clerk to the Corporation had attended the AoC/ETF Governance Professionals Conference on 23 January 2020 and the Vice Chair, both Student Governors and the Clerk to the Corporation had attended the AoC Midlands Regional Conference on 4 February 2020. The Student Governors said that they felt that the training had been valuable.

ii) The Corporation **NOTED** feedback from recent Conferences and Training Events and the opportunity to attend the Governance Development Programme face to face pilot sessions on 18 March 2020 at Osprey House.

39.15 Corporation Calendar

- i) The Clerk to the Corporation explained that the draft calendar for 2020/21 was dependant on the findings of the Cycle of Business Task and Finish Group, which had been rescheduled. It would be included in the 24 March 2020 Agenda.

39.16 Any Other Urgent Business

There was no other urgent business.

39.17 Identification of Confidential Items

- i) The Corporation agreed that none of the Agenda Items needed to be recorded in Confidential Minutes.

39.18 Date and Time of Next Meeting

- i) Tuesday 24 March 2020, Corporation Dinner 5pm for 5.15pm, The Source, Worcester, followed by the meeting at 6.30pm.

According to the Corporation resolution, in accordance with Instrument 13 of the Instrument and Articles of Government, the Staff and Student Governors left the meeting at this point

39.19 RESTRICTED CONFIDENTIAL ITEMS

- 20 These matters are recorded as Confidential Minutes 1 and 2 of 2.

The meeting closed at 8.25pm.

Signed:

Date:

Sue Frost
Clerk to the Corporation
13 February 2020