



**MINUTES OF THE CORPORATION MEETING HELD ON
MONDAY 20 JULY 2015**

Present: Janet Morgan (*Chair*), Chris Allwright, Charlie Baker, Richard Brewell, Jonathan McCluskey, Alex Skinner, Kevin Slack, Mandie Stravino, David Williams

In attendance: Matt Bromley, Michael Ford, April Hayhurst, Paul Steeples, Anita Straffon, Heather Simcox (*Clerk*), Rose Matthews (Assistant Clerk)

	Action	Date
106/14-15 Apologies for absence Apologies for absence were accepted from Philip Dover, Nick Freeman, David Grocock and Graham Schuhmacher. The Chair welcomed new members: Richard Brewell, Head of Engineering Management and Schematics at Rolls Royce and Charlie Baker, the new Student Union President.		
107/14-15 Declarations of interest, confirmation of eligibility and quorum All members were eligible and the meeting was quorate.		
108/14-15 Minutes of the previous meeting Minutes of the meeting held on 18 May 2015 were approved as a true and accurate record.		
109/14-15 Matters arising		
71/14-15 The CFO was still pursuing the Consumer Credit Licence. He had investigated on a previous occasion and noted this was costly.	CFO	Oct '15
93/14-15 Michael Ford had incorporated the additional column for achievement.		
98/14-15 The plans to exit the Archive were for information only.		
99/14-15 The CFO met with the Bank and there were no issues.		
102/14-15 The FE Commissioner's Report had been circulated to all members.		
110/14-15 Common Inspection Framework The Group Teaching and Learning Improvement Director delivered a presentation highlighting the changes to the new Common Inspection Framework. Key points to note were: • 4 key aspects: Effectiveness of Leadership and		

Management; Quality of Teaching, Learning and Assessment; Personal Development, Behaviour and Welfare and; Outcomes for Learners.

- Good providers will be subjected to shorter inspections, and will receive a short letter and not a full report with two judgements – if the provider is good and is safeguarding effective.
- Changes to the FE and Skills Handbook were summarised.
- Leadership and Management included more emphasis on culture and vision (including consultation with stakeholders and employers), robust performance management and ensuring safeguarding protects learners.
- Teaching, Learning and Assessment has a greater focus on developing knowledge in-year and preparing students for the next phase of education, assessment and no grading of lessons.
- Personal Development takes in all aspects of how well learners develop and how well they are prepared
- Behaviour and Welfare focusses on developing attitudes, respect and tolerance of others and self-discipline and promoting British values and the Prevent strategy.
- Outcomes is a broader judgement, and focusses on learner progress, achievement and destination.

The Role of Corporation

- Governors are ambitious for all learners and promote improvement.
- The provider has the resources to sustain and improve the quality of education provided.
- Senior leaders are held to account for improvements.
- Governors have an accurate understanding of quality, including sub-contracting.
- Governors accurately monitor and use performance management to improve teaching.

Members were shown an example of the SAR template and changes to the QPR process whereby each QPR meeting reported directly into the SAR.

The Clerk reiterated there was a greater emphasis on governance and members needed to be mindful of this.

11/14-15 CEO's Verbal update

The CEO provided a comprehensive report which included:

- Governors recalled that the Higher Education Review (HER) had taken place week commencing 18th May. The HER resulted in a positive outcome. The College met all standards with some commended aspects and no recommendations. The CEO explained that the full HER report was embargoed until 13th August. Governors noted that all involved had been thanked especially the student representatives.
- The CEO had attended the second 'East Midlands Ofsted FE Reference Group' meeting. She provided feedback from the meeting including priorities for the East

Midlands.

- The second Living the Values Celebration Event had taken place. Ninety team members had now received awards.
- The College hosted the first Derbyshire Apprentice Graduation Ceremony. One hundred and twenty apprentices graduated at the event. Peter Richardson (LEP chair) delivered the main graduation speech.
- Ofsted's final support and challenge letter, received in June, had previously been circulated to the Board. An end to end review of the process and outcomes, specifically from a teaching and learning perspective, had been completed and circulated across the College. The CEO confirmed that the pace of improvement would continue.
- The CEO had facilitated a Leadership and Management self-assessment session with the College's middle leaders. Eight SAR working parties had been established in order to self-assess and produce the relevant sections of the college SAR. Provisional Academy SAR grades had been agreed by the validation panel (including members of the Executive Team, student representatives and governor representative, Phil Dover). Phil Cook (SRC Principal) had validated some of the grades during his recent visit. The Governors' SAR session had been arranged for 9 September.
- The CEO reminded members of the celebrations at this year's Peak Awards. The event had been well attended by sponsors/local businesses including Rolls-Royce. Local MPs, including recently elected MPs for Derby and Erewash.
- Cross-college CEO's team briefings were underway. The CEO explained that she was joining each member of the Executive during their end of year full-team performance/celebration meetings. She was delivering an impact overview, sharing achievements at the end of the first year of strategy implementation, and reiterating the priorities for the remaining two years of the plan.
- The Employment and Skills Boards (ESBs) Chairs/Strategic Meeting had taken place. The Sector ESBs were now embedded and supporting employer engagement specifically with the design and development of the curriculum offer. The SESB had focused on the strategy review (one year on) and the mission pathways.
- The CEO and Vice Principal Learner Journey and Inclusion and Vocational Curriculum had attended the Principals' and Vice-Chancellors' Prevent Duty Event. Governors noted that Bob Hamp (Ofsted S&C inspector) had provided positive recognition of the work already completed by the College and had requested that Helen Jefferson support a local training provider by sharing our

resources and best practice. The College had agreed to support with this.

- Finally, governors noted the positive feedback/publicity received following Gordon Ramsey's recent visit to the College's Engine Shed Restaurant.

112/14-15 **Key Performance Indicators**

The Director of Business Improvement presented the headline KPIs, which were reviewed by exception.

Members questioned the 'percentage of learners on or above target'. The Group Teaching and Learning Improvement Director said it should read those on or above their 'aspirational target'. 59% of learners were predicted to achieve their aspirational target or exceed it.

Members asked about the 'percentage of learners receiving an update against Markbook'. The Vice Principal for Learner Journey responded advising data was collected every four weeks and this was a snapshot at that point in time.

Jonathan McCluskey said he felt comparisons should only be made against the previous academic year. However, the Clerk pointed out the need for members to be aware of the three year trend. The Clerk also said Governors would be expected to understand how the trend compared to national averages, as well as others, including the 157 Group Colleges.

David Williams said he would like to be talked through the report and asked for a commentary against each box. The Director of Business Improvement agreed to remove the blue boxes which were not yet in scope and would ensure a commentary was included in future reports.

MF

Sept '15

113/14-15 **Strategic Risk Monitoring**

Following a recommendation by the Audit Committee, ICCA conducted an internal audit to provide independent assurance the College's revised risk management framework was fit for purpose. A detailed action plan had been drawn up and implemented by the Executive Risk Management Group and was then monitored by the Audit Committee.

Members were asked to note Risk 11 – learner outcomes and Risk 1 – government funding cuts. The preventative controls in place for these risks were then summarised and members acknowledged with satisfaction.

Since the last Corporation, one new risk – Risk 38, relating to the increasing number of commercial events and the impact on the College's infrastructure had been identified. The preventative controls to agree an accurate schedule of events to be delivered and clarify expectations had been put in place.

Risk 32 – relating to the College's framework for appointing contractors, consultants and expert advisors - had been reduced on the Register through the successful implementation of preventative controls.

114/14-15 Budget 2015-16 Report

The draft 2015-16 budget and forecast for 2016-18 was presented to the Board.

The CFO requested:

- Approval of the budget for 2015-16, including proposed pay awards;
- Approval of the capital expenditure limit for 2015-16;
- Approval of the sub-contractor costs; and
- For the financial forecast for 2016-17 and 2017-18 to be noted.

Members noted the overall reduction in funding by £3.5m which equated to 7% in 2015-16. Funding allocations had been confirmed with the exception of European funding. A £4.4m reduction in EFA/SFA funding and a potential loss of £1.5m European ESF funding has been offset by growth in tuition fees and commercial income. Final settlement contracts post 8th July Government Budget were awaited and there remained some uncertainty around the final funding position until these were received.

The funding reductions had been offset by a reduction in sub-contract costs, redundancies and procurement/efficiency savings to achieve an underlying surplus of £500k.

Financial health would remain 'satisfactory' and it was anticipated to remain so until 2017 at which point it should reach 'good' rating.

The CFO announced he had received a letter that afternoon from the SFA announcing funding cuts to ESOL and a reduction for non-apprenticeship provision. The impact of this needs to be calculated but is estimated at £0.5m. The College was still required to submit the budget by 31st July but was allowed to update and resubmit by the 30th September.

The overall position at the time of submitting the report was to achieve a £0.5m surplus, which allowed the 2015-16 increment. A capital budget of £816k was proposed to drive investment in IT and to address any health and safety issues.

The challenge around pension costs was discussed and the cash receipt from the sale of tranche 2 of PCA would be used to significantly reduce the overdraft.

The Chair said David Grocock felt the College were underinvesting in capital and may pay a penalty for this in the future. The CFO acknowledged this and confirmed that subject to achieving targets the cash position would be much healthier in latter year and would enable review proposed capital investments then.

David Williams noted the reliance on tuition fees and commercial income and asked how confident the College was that these would be achieved.

The Director of Business Development provided a comprehensive response outlining different income streams and position to date,

including business in the pipeline.

The Chair asked if any sensitivities had been carried out on the forecast and the CFO confirmed they had for the SFA. It was assumed a 25% reduction each year in the Adult Skills Budget but this had not been confirmed. The CEO said in line with the reduction in turnover the support costs sit at 43%.

The Chair provided feedback from David Grocock in his absence. David felt there was insufficient detail in the papers for members to fully scrutinise. David suggested a small sub-group should be established to look at strategy and agree to meet prior to September. He also said the plan did not have a healthy cash surplus. He understood the growth but felt the detail on how this could be achieved was lacking.

The Chair summarised the current position. The Board agreed to submission with the current proposals on the understanding the position in relation to increments would be reviewed in September when the impact of the further funding reductions had been assessed.

The Board approved the capital expenditure limit for 2015-26 and the sub-contractor costs.

Given the late announcement of a further funding reduction, it was noted a further meeting may be required to review any revised submission of budget for 2015-16 to the SFA at the end of September.

115/14-15 Admissions Policy

The Vice Principal Learner Journey, Inclusion and Vocational Curriculum highlighted the two revisions to the Admissions Policy in line with good practice, which were the SEND reform and the right to refuse admission.

The Board approved the revised Admissions Policy.

116/14-15 Management Accounts

The CFO presented the Management Accounts for May 2015. The Period 11 Accounts (June 2015) had been approved this morning and show a significant improvement in income. The costs in June were £540k less than the budget which provides assurance the College have achieved the bottom line.

117/14-15 Property Report

The Director of Corporate Affairs provided an update on the College's property portfolio.

118/14/15 Fraud Report

The CFO presented a report covering details of attempted fraudulent activity against the College.

119/14-15 Report from the Audit Committee meeting on 23 June 2015

The Chair of the Audit Committee provided an update following the Audit Committee meeting of 23 June 2015. The Committee

was pleased to welcome Richard Brewell as a new member to the Committee.

120/14-15 Link Governor update

David Williams, the Link Governor for Broomfield updated the Board on his visits. He regularly attended management meetings and had found the learning walks particularly useful.

Jonathan McCluskey had visited Ilkeston and was involved in the Head of Construction interviews. He also reported he had focussed time on safeguarding.

121/14-15 FE Commissioner's letter

The Clerk shared the FE Commissioner's latest letter for members' information and a brief discussion followed on the landscape ahead.

A special session was planned for 8 September to review the 2014-15 Self-Assessment Report, but also to look at how the Board can be developed. The Chair asked the Board to come prepared to the meeting to brainstorm ideas for improvement.

The meeting finished at 7.00 pm

Signed: _____ Date: _____