



**MINUTES OF THE CORPORATION MEETING HELD ON  
MONDAY 18 MAY 2015**

Present: Janet Morgan (*Chair*), Chris Allright, Philip Dover, David Grocock, Jonathan McCluskey, Graham Schuhmacher, Alex Skinner, Kevin Slack, Mandie Stravino, David Williams

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

	Action	Date
<p><b>87/14-15 Apologies for absence</b></p> <p>Apologies for absence were accepted from Nick Freeman.</p> <p>The Chair welcomed Paul Steeples, the new Chief Finance Officer to the Board.</p>		
<p><b>88/14-15 Declarations of interest, confirmation of eligibility and quorum</b></p> <p>All members were eligible and the meeting was quorate. Declarations of Interest were made for the Derby College Education Trust update from Derby College employees who were connected with Merrill Academy as Sponsor Governors and the Assistant Clerk who is Clerk of the Academy.</p>		
<p><b>89/14-15 Minutes of the previous meeting</b></p> <p>Minutes of the meeting held on 16 March 2015 were approved as a true and accurate record.</p> <p>Alex Skinner raised a concern in relation to the Student Union item. The Chair believed the minutes were an accurate representation of the discussion at the meeting.</p>		
<p><b>90/14-15 Matters arising</b></p> <p>66/14-15 The Clerk had circulated the final Support and Challenge visit report.</p> <p>71/14-15 The Clerk had approached the Financial Controller with regard to considering a Consumer Credit Licence.</p>	CFO	20/07/15
<p><b>91/14-15 CEO's Verbal update</b></p> <p>The CEO delivered an update which included:</p> <p><u>Election</u> The recent election had resulted in one change to local MPs, Chris Williamson had lost his seat to Amanda Solloway, Conservative.</p> <p>Wider Government changes were shared, along with emerging</p>		

aspects of the manifesto.

#### D2N2 Devolution Prospectus

The Devolution Prospectus was presented to D2N2 Principals, by the LEP CEO, Chair and Board Skills Lead during their meeting on 25 March. The proposal in the prospectus included the transfer and commissioning of the Adult Skills Budget to a combined authority.

The LEP CEO and Board Skills Lead attended the recent 'Governors' Stakeholder Event' and discussed the proposals with a range of the College's business and stakeholder representatives.

#### D2N2 Provider Charter

D2N2 had announced their Provider Charter to which the College had contributed. Members were expected to have an understanding of the D2N2 key priority sectors and Members were encouraged to be skills champions.

#### Curriculum Business Plans

On 28 April – 1 May management teams presented draft Curriculum Business Plans to an Executive Panel. The process was to ensure the curriculum was developed to meet local priorities. Those who didn't reach the required financial contribution were tasked to undertake further work with their curriculum leaders.

#### Employee Voice Policy: 2014-2015 Survey

The Employee Voice Survey had been completed - Bernadette Doyle was in the final process of sharing outcomes with Executive members who would then present to their teams.

The results of the FE & Skills Survey 2015 had recently been published, and emerging themes were funding and workload.

#### Inspection

Following the last Ofsted inspection, Ofsted's Senior Regional HMI, Sheila Willis, had suggested the College should share best practice with Stockton and Riverside College. The CEO and both Vice Principals visited on 20 March. The day allowed a two-way sharing of good practice.

The CEO reminded Board members that the HE Review visit commenced today.

NTU's Initial Teacher Training Ofsted inspection had commenced today and Ofsted inspectors would be visiting the College to inspect NTU's accredited provision.

#### Ofsted Support and Challenge

The next Ofsted Support and Challenge visit was scheduled for 1 June.

The CEO shared the latest figures from the AOC on Ofsted Inspection grades to 1 May, which disappointingly showed 48% of Colleges graded at a Grade 3, compared with 2% at Grade 1.

#### Financial Benchmarking

The CEO shared final account information for 2013-14, compiled by the SFA of all colleges and presented the College's position against these. Members' commented positively on the financial

improvements made.

**92/14-15 Budget Assumptions 2015-16, including final funding allocations 2015-16**

The CFO presented the Budget Assumptions paper for 2015-16 which contained an update on the confirmed funding allocations from EFA and SFA for the academic year.

He highlighted the funding challenges, adult apprentices would be protected, with additional protection applied to English and maths provision alongside current levels of ESOL. However the remaining SFA adult skills allocation presented a 24% (£2.8m) reduction in funding, with ESF funding not anticipated.

In other areas, stretching targets had been set for 24+ learner loans and co-funded tuition fees targeted to grow by 20%.

A target contribution had been set for all curriculum areas and the proposed budget would aim for a £500k surplus.

Members noted the College was facing a number of challenges in the cost base, with statutory changes to pension payments and national insurance at a cost of £300K, along with other costs impacting, including rent increase on the Johnson building.

The Chair felt the growth included in the proposed budget was ambitious, particularly the 24+ Learner Loans. The CEO gave assurance and explained the Career Learning Ladder provision had been designed to maximise the allocation and the College was making sure courses were in place to attract the loans. A freeze had been applied on spend not relating directly to income.

Graham Schuhmacher said the College had to look at how they build partnerships and linkages and more thought needs to be paid to feeder groups.

David Grocock spoke of ambitious income targets and said he understood there was still a significant gap. The CEO referred to the reduction in non-pay by £3.3m and identified balance to come in. The CFO would be looking two years ahead in terms of funding streams and realigning the operation position.

Jonathan McCluskey asked about opportunities for distance learning and Anita Straffon confirmed the College was looking at this, particularly in relation to HE level provision, with some on-line learning already in place.

**93/14-15 Key Performance Indicators**

Michael Ford presented the headline KPIs, which were then reviewed by exception. David Grocock requested the addition of a column for achievement and Michael would incorporate into the next report.

Discussion took place in relation to achievement against target and Phil Dover said projections needed to be clear, he made reference to the quality of teaching and the scorecard measure at 96%. Richard Deane said the figure reflected in-year improvements made and the aggregated grade included further measures such as work scrutiny etc.

MF

20/07/15

The CEO explained the College's Director for Teaching and Learning had looked at the aggregated grade for last year which did stand at a Grade 3, but this year it was at 1.74, which provided assurance that improvement had taken place in all those measures included in the scorecard. Anita Straffon confirmed positive change in teaching and learning had been reflected in the learner surveys.

#### **94/14-15 Strategic Risk Monitoring**

The Director of Business Improvement provided members with an update on the College's Risk Management Framework and the 'High' priority risks identified in the Corporate Risk Register together with a summary of current litigation action being taken against the College. He explained a review was being undertaken by an external firm to assess the risk management process and Board Assurance Framework in order to ensure it is fit for purpose.

Discussion took place with regard to the highlighted risks.

David Grocock queried Risk 24 and Risk 32, both of which related to procurement, and suggested using pre-tendered frameworks. The CFO confirmed this was the route being taken with the Procurement Team. David referred to Risk 3 and said he felt there was conflicting evidence on the Management Accounts with regard to overspend on construction projects. The Director of Corporate Affairs confirmed mitigating actions were now in place which had previously not been.

#### **95/14-15 Expenditure for Building Cleaning Report**

The CFO presented the Building Cleaning Report to members, which provided information on the College's building cleaning contract. He sought formal approval, under the terms of the College's financial regulations, to enter into a contract for the provision of such services for a period of up to 5 years under the CPC Framework.

**The Board approved the building cleaning expenditure at the fee detailed for 2015/16, which would be included in the College budget.**

**The Board further approved the level of expenditure for a five year period to attract the required level of interest and support from suppliers.**

#### **96/14-15 Expenditure for Hospitality and Catering**

The CFO presented the report on expenditure for Hospitality and Catering.

The report provided information regarding the College's catering contract and he sought approval from the Board, under terms of the College's financial regulations to enter into a contract for such services for a period of up to five years. The CFO clarified the net cost to the College was nil.

**The Board approved the award of the catering contract to the successful tender company for a period of up to five years.**

**97/14-15 IT Security Policy**

The Director of Corporate Affairs shared the report on IT Security, which presented an updated IT Security Policy for approval.

**The Board approved the IT Security Policy taking into account the changes made to aspire to ISO 27001.**

**98/14/15 Data Protection Policy**

The Director of Corporate Affairs presented the Data Protection Policy for approval.

Graham Schuhmacher questioned who owned the data collected from students and how long the College kept it for. The Director of Corporate Affairs reported the College was looking to vacate the current Archive facility and suggested that in the past the College had been over-careful retaining information. The College was looking at a system whereby it would be students' responsibility to keep their own information; in addition, electronic archiving was being investigated.

**The Board approved the Data Protection Policy.**

**99/14/15 Sub-contractor and Partnership Review**

The Director of Business Development presented the report which provided an update on sub-contracted provision. She explained the process to reallocate contracts for 2014/15.

The shortfall in 16-18 Apprenticeships had been addressed to bring in through direct delivery and the Business Development and delivery team were working together to ensure alignment. The 19+ Apprenticeships and ASB were projected to bring in additional funds.

In terms of performance there was a year on year improvement in sub-contracting. However, the figures would not start to show improvement this year until the end of the year, with lagged completions. The apprenticeship provision year on year was showing an improvement in success rates and timeliness was closely monitored.

Jonathan McCluskey asked if the provision was monitored on performance and the Director of Business Improvement confirmed the College had the right to terminate a contract. Graham Schuhmacher questioned the timeliness measure. The Director of Business Development confirmed the College would only accept certificate as completion.

**99/14-15 Management Accounts to March 2015**

The CFO presented the March Management Accounts. Challenge was noted around the three key funding streams.

The CFO reported the cost base was underspent on a number of lines and this was being looked at in further detail, along with other costs in general to support achievement of year-end target.

David Grocock raised concern about the number of old debtors.

The CFO said special payment arrangements had been made. David was also concerned the cash position in July 2016 would be dangerously low. He said he suspected the gearing was low and the College may need to take on a further bank loan. The CFO advised consultants had been engaged to look at retrieving VAT on projects which would help with the cashflow situation.

David talked about funding to the end of March and asked the CFO if, having looked at April's figures, the situation had improved or not. The CFO had not had the opportunity to look at April's figures but agreed to share the information separately with David.

CFO

20/07/15

The CFO had his first meeting arranged with the bank post half-term and would be looking at the medium term finance position. Kevin Slack noted that arrangements with the banks were favourable at the moment and therefore urged caution.

**100/14-15 Property update**

The Director of Corporate Affairs provided a property update for members' attention.

**101/14-15 Freedom of Information and Data Protection update**

The Director of Corporate Affairs provided a report detailing a summary of Freedom of Information (FOI) requests for 2013-14 and 2014-15 to date for members' information.

**102/14-15 Report from Search and Governance Committee**

David Williams, Chair of the Search and Governance Committee, shared summary of the Search and Governance meeting of earlier that day, which included:

- AOC Governance benchmarking survey
- Board composition and terms of office

Subject to the individual members' agreement the Board approved a two-year extension from 1 August 2015 for Phil Dover and Graham Schuhmacher.

The Chair and CEO had interviewed Richard Brewell, of Rolls Royce as a potential new member. Richard is currently Head of Engineering Operations Management and would bring experience of general operations and resource management, quality and IT management. The Board approved Richard's appointment, for a two-year term – 1 June 2015 to 31 May 2017.

**The Board approved the appointment of Richard Brewell to the Corporation.**

David explained the Committee had identified a number of people they would like to approach to join the Corporation, particularly taking into skill requirements and the need to attract members to add diversity to the Board. The Board noted the requirement to appoint an additional member to the Audit Committee.

**Code of Governance**

The Search and Governance Committee had reviewed the new Code of Governance, which had been circulated to all members,

and which replaced the Foundation Code.

### **The Board approved adoption of the AOC Code of Governance**

#### **FE Commissioner's Report**

The Search and Governance Committee had received a report which presented the College's position against recommendations made by the FE Commissioner in his annual report as well as subsequent mailings (also circulated to all members). The Committee was pleased to note that there were not any major areas where the College demonstrated behaviours/trends that had been identified in poor performing colleges. The report would be shared with all members.

Clerk

20/07/15

#### **Board Development Programme**

David Williams proposed a social gathering at the end of each Corporation meeting as an opportunity to build working relationships between Corporation members and senior leaders in the College. The Board agreed with the proposal and the Assistant Clerk would include in the programme.

#### **103/14-15 Report from the Audit Committee meeting on 24 March 2015**

Kevin Slack, Chair of the Audit Committee provided a summary following the Audit Committee meeting on 24 March 2015, which included:

- Update on governance arrangements of Derby College Student Union
- Update on risk management processes
- Report on the College's business and curriculum design process
- Consideration of audit assurance for 2015-26.

Derby College Education Trust had approached the Board to share the College's Audit reports for areas where the College supplied the Trust. Kevin felt this was a reasonable request and recommended the Board approve this.

#### **The Board gave approval for the Derby College Education Trust to share the College's audit reports as outlined.**

#### **104/14-15 Report from the Curriculum and Quality meeting on 22 April 2015**

David Grocock, who Chaired the meeting on 22<sup>nd</sup> April in the absence of Phil Dover and presented a summary of the meeting, which included:

- Revised Terms of Reference
- Request for an Executive Summary for the Equality and Diversity report.
- The Curriculum planning and performance management process was summarised and it was noted this had already been reviewed at the Audit Committee. Members discussed new courses introduced or closed to meet local and national priorities, funding changes and quality of provision.
- An update on teaching and learning and how student

- progress was assessed and fed back to students.
- Each curriculum leader presented the Quality Performance Review for their Academy and discussions took place around English and maths and the need to include value added and the challenges faced to raise aspirations to achieve high grades. The restructure of ESOL courses had positively affected retention.

**105/14-15 Derby College Education Trust update**

The Director of Corporate Affairs provided an update on Derby College Education Trust.

She had accepted the Principal's resignation in April and Mike Davie had been appointed as Interim Head Teacher. Since this time the Senior Leadership Team had been re-structured.

The budget process was almost complete and a draft budget for 2015-16 would be presented to the Education Trust's Finance and Audit Committee and then the Derby College Education Trust's Board in June.

Preparation of service level agreements – between the Trust and the College was in hand, supported by Browne Jacobson.

The local Governing Body had been further strengthened with the addition of Graham Banks of Geldards who had recently become a Governor.

The meeting finished at 7.15 pm

Signed: \_\_\_\_\_ Date: \_\_\_\_\_