



**MINUTES OF THE CORPORATION MEETING HELD ON
MONDAY 23 MAY 2016 AT 4.00 PM
IN THE BOARD ROOM AT THE ROUNDHOUSE**

Present: Janet Morgan (*Chair*), Jack Atwal, Charlie Baker, Philip Dover, Nick Freeman, Jonathan McCluskey, Rebena Sanghera, Graham Schuhmacher, Kevin Slack, Mandie Stravino and David Williams

In attendance: Julian Gravatt (Minute No. 65/15-16 only)
Michael Ford, April Hayhurst, Heather Simcox, Paul Steeples
Rose Matthews (Clerk)

	Action	Date
65/15-16	College Finance – Post Spending Review	
	The Board welcomed Julian Gravatt, Deputy CEO of the AOC who provided a comprehensive presentation on national policy.	
66/15-16	Apologies for absence	
	Apologies for absence were received and accepted from Richard Brewell.	
67/15-16	Declarations of interest, confirmation of eligibility and quorum	
	All members were eligible and the meeting was quorate. There were no new declarations of interest made.	
68/15-16	Minutes of the previous meeting	
	The minutes of the meeting held on 14 March 2016 were approved and signed as a true and accurate record.	
69/15-16	Matters arising	
47/15-16	Deputy CEO of the AOC to present to the Board: Completed.	
55/15-16	Strategic Risk Monitoring: Actions completed by Michael Ford.	
56/15-16	Provision of Insurance: The CFO to present progress report.	
70/15-16	Chief Executive Update; including:	
	<ul style="list-style-type: none">Ofsted Inspection Report	
	Government Policy	
	The CEO provided a policy update via a presentation including the following:	
	<ul style="list-style-type: none">The March 2016 DFE White Paper – Educational Excellence, Everywhere.	

- The first skills white paper in a decade is anticipated imminently, which is expected to recommend a simplification of the FE and skills sector.
- The Area Review guidance had recently been updated to include indicators and benchmarks including a surplus of between 3% and 5% and Michael Ford is currently driving the Area Review Steering Group.
- The CEO shared overall sector Ofsted results in 2015-16, to 1 April 2016, which showed 18% of colleges had improved (including Derby) and 35% had declined. 53% of colleges (including Derby) had achieved a Grade 2, with 29% achieving Grade 3 and 18% achieving a Grade 4. No colleges had achieved a Grade 1 this academic year.
- D2N2 DfE performance tables had been published with showed Derby College as the third highest scoring in all six categories.
- The CEO delivered an update on events/activities that had taken place since the last meeting.

The official Ofsted report had now been received and the key themes from the report were shared with the Board. The CEO confirmed communication had been sent to schools, the press and employers.

The CEO presented benchmarking graphs identifying the College's ranking nationally and compared with East Midlands colleges.

The Chair of Curriculum and Quality Committee pointed out these were issued very late and were not useful to help the improvement process this year.

71/15-16 Key Performance Indicators

The Business Improvement Director presented the KPIs with all measures in scope.

Attendance was slightly below target, but above the previous year's performance. The Board noted this was mainly related to ESOL students who arrived in Derby then relocated to elsewhere in the country. Students with health and social care issues which are not always apparent at interview had also impacted on attendance.

72/15-16 Initial Funding Allocations 2016-17 and Budget Assumptions 2016-17

The headlines for the high level budget and assumptions were presented based on the confirmed funding allocations from the EFA and SFA for the 2016-17 academic year.

Overall income was d to increase with EFA allocation showing a 3% increase. SFA AEB also confirmed an increase, and it was noted this also included learner support funding which was previously funded separately. Adult apprenticeship funding had increased by 9%.

The confirmed allocation for 16-18 apprenticeships was lower than the planned out-turn in 2015-16 and did not reflect growth cases submitted in the current year, which had since been declined.

The Apprenticeship Levy was anticipated to come into effect in April 2017 and the impact this would have was still unknown.

A target had been set to achieve the full allocation of the advanced learner loans, and the CEO confirmed that provision attracting loans had been assessed during the recent business planning process, as was an increase in tuition fee income.

A number of assumptions had been made relating to pay costs which resulted in a net negative impact of £1.3m. Efficiency savings on non-pay had been identified with a target of delivering a positive historic cost surplus of £100,000, which required an operating surplus of £1.8m for 2016-17.

The Bank Covenants presented at the last meeting had removed the requirement to include FRS17 (pensions).

A discussion took place in relation to the assumed savings identified in pay costs.

The Board approved the budget proposal as presented, subject to further work on sensitivities.

CFO

12/07/16

73/15-16 Report on Shuttle Bus Service

The CFO sought approval for the award of the contract for the provision of transport services, in the form of a shuttle bus service to transport students from home to College.

A re-tender exercise had taken place and the cost of the provision had increased, attributed to the four-year period since the last tender exercise.

Nick Freeman questioned how many learners benefited from the service and the Director of Corporate Services assured members that the service use had been monitored and analysed prior to going out to tender and the impact analysis showed it was worthwhile to continue, on the basis of the number of users each day on the routes proposed.

Members approved the appointment of Notts + Derby Traction Co, Ltd as the College Shuttle Bus provider.

74/15-16 Financial update including
• **Management Accounts**

The CFO presented the Management Accounts for March 2016. The CFO reported March was on track against the mid-year forecast. Draft accounts for April had been reviewed and found an adverse variance of £38k against target. Explanation for this was given and there were no major concerns at this stage.

75/15-16 Strategic Risk Monitoring

The Director of Business Improvement provided members with an update on the 'high' priority risks identified in the Corporate Risk Register and a summary of current litigation action being taken against the College.

It was noted the Audit Committee would scrutinise the Risk Register at the meeting on 28 June 2016.

76/15-16 Provision of Insurance update

The CFO gave a verbal update on the Provision of Insurance. Tender presentations would take place on 27 June 2016.

A further update report would be provided to the Board in July, with a view to seeking the Board's approval to award the contract to the preferred supplier.

CFO

July 2016

77/15-16 Sub-contractor and Partnership Review

A summary of the sub-contractor and partnership provision was presented and members noted performance to date, confirming no areas of concern.

78/15-16 Student Union Presentation

The Student Union President presented a summary of Student Union activities for the academic year, which included visits and events the students had attended, key achievements for the year and the work being undertaken to work towards and produce the strategic development plan.

An overview was provided of the DCSU Trust Board, on which the College had representatives, as approved by the Board.

The Chair congratulated the SU President on behalf of the Board for the achievements of the DCSU over the past year.

A discussion continued on the work the College had done for students from a care background – an area championed by the Student Union President.

79/15-16 Nominations for Chair and Vice Chair

The current term of office for the Chair and Vice Chair would expire at the end of this academic year and the Clerk called for nominations for the Chair and Vice Chair, to be emailed with a view to making an appointment at the July meeting of the Board.

All

ASAP

80/15-16 Link Governor update

David Williams and Jonathan McCluskey provided feedback following their previous link meetings. Jonathan had met with each Head of Department at his last visit, with the main areas of discussion relating to the English and maths.

81/15-16 Report from the Audit Committee

- Appendix 1 – Draft minutes of the Finance and Audit Committee meeting held on 22 March 2016

The Chair of the Audit Committee reported to the Board following the Audit Committee meeting held on 22 March 2016.

Progress on the Assurance Plan was shared with the Committee along with the assurance provided by other committees, the internal audit and the Ofsted Inspection

Members received the Risk Register and scrutinised high risks, assessing the impact of mitigating actions.

The internal audit contract was due to expire at the end of the academic year, with the external audit contract expiring at the end of December 2016. Both would be subject to a full tender process.

In response to a bid for new members of the Committee, Jack Atwal agreed to join the Audit Committee.

82/15-16 Report from the Chair of Curriculum and Quality Committee

The Chair of the Committed reported that he had joined the Curriculum Planning approval panels on 20 May, and was pleased to observe the rigour with which areas were held to account for their proposed curriculum plan. It was noted that decisions had been taken to remove some programmes, as well as introduce some new.

The Chief Executive thanked the Chair of Curriculum and Quality Committee for his involvement in the panels.

Staff and student members left the meeting.

Signed: _____ Date: _____