



**MINUTES OF THE CORPORATION MEETING HELD ON 20 MAY 2019
AT 5.00 PM IN C302 AT THE ROUNDHOUSE**

PART ONE - GENERAL MINUTES	2
WELCOME AND INTRODUCTIONS	2
APOLOGIES FOR ABSENCE	2
DECLARATIONS OF INTEREST, CONFIRMATION OF ELIGIBILITY AND QUORUM.....	2
MINUTES OF THE PREVIOUS MEETING.....	2
MATTERS ARISING.....	2
HEALTH, SAFETY AND ENVIRONMENT STATUS REPORT	3
REPORT FROM THE FINANCE COMMITTEE HELD ON 9 MAY 2019	3
ESFA 2017-18 FINANCIAL HEALTH CONFIRMATION AND DASHBOARD	5
FE COMMISSIONER LETTER.....	5
THE NEW COLLEGE OVERSIGHT SUPPORT AND INTERVENTION REGIME.....	6
STRATEGIC RISK MONITORING.....	6
KEY PERFORMANCE INDICATORS.....	6
GOVERNANCE EVALUATION	7



MINUTES OF THE CORPORATION MEETING HELD ON MONDAY 20 MAY 2019 AT 5.00 PM IN C302 AT THE ROUNDHOUSE

Present: Janet Morgan (Chair), Sue Bradley, Richard Brewell, Hazel Clint, Andrew Cochrane, Kate Cusick, Phil Dover, Gary Malcolm, Martyn Marples, Graham Schuhmacher, Kevin Slack, Mandie Stravino

In attendance: Jon Fearon, Michael Ford, April Hayhurst, Heather Simcox, Pam Stanley (Minute number 67/18-19 only), Rose Matthews (Clerk)

PART ONE - GENERAL MINUTES

62/18-19 WELCOME AND INTRODUCTIONS

The Chair welcomed Sue Bradley, former Headteacher of Kingsmead School and now works for the local authority advising on exclusions and in-year fair access.

Introductions took place with all those present.

RESOLVED: It was proposed Sue joined the Standards Committee and this was approved by the Board.

63/18-19 APOLOGIES FOR ABSENCE

Apologies for absence were received and accepted from Jack Atwal, Mike Kapur, Pete Lewis, and Kate Martin.

64/18-19 DECLARATIONS OF INTEREST, CONFIRMATION OF ELIGIBILITY AND QUORUM

All members were eligible and the meeting was quorate.

There were no new declarations of interest.

65/18-19 MINUTES OF THE PREVIOUS MEETING

RESOLVED: The minutes of the meeting held on 18 March 2019 were formally approved and signed as a true and accurate record.

66/18-19 MATTERS ARISING

There were no matters arising.

Action	Date
--------	------

67/18-19 HEALTH, SAFETY AND ENVIRONMENT STATUS REPORT

The Environmental Compliance Manager joined the meeting to present the Health, Safety and Environment Status Report which summarised achieved towards KPIs and compliance and reporting in headline areas.

Members were advised of the Health and Safety Management Audit carried out by Internal Auditors, ICCA in May, which provided substantial assurance with no recommendations.

Hazel Clint had carried out her first lead governor meeting. Hazel said it had been very positive and she had discussed with the Environmental Compliance Manager what she could do to support. A further meeting is planned for the beginning of June.

Members questioned the incidents included in the report and also the status towards achievement of the KPIs and were satisfied with the responses provided.

68/18-19 REPORT FROM THE FINANCE COMMITTEE HELD ON 9 MAY 2019

RESOLVED: It was proposed Janet Morgan be elected Chair of the Finance Committee. Members approved the proposal.

The Finance Committee Chair provided a report from the meeting held on 9 May 2019.

The draft Terms of Reference were presented and recommended by the Committee for approval.

RESOLVED: Members approved the Finance Committee Terms of Reference.

Initial Funding Allocations 2019-20 and Budget Assumptions 2019-20

The CFO presented his report, sharing the high-level budget forecast for 2019-20.

Key highlights for note were:

Turnover at £50m, which was a marginal increase from 2018-19;
Pay at 68%
EBITDA at 8% compared with current forecast of 7%.

ESFA Adult Education Budget (AEB) projected at £1m less than 2018-19 with a £600K risk which was reliant on external contracting. Following questioning from the Chair the options available were discussed.

Members questioned why some of the bids had been unsuccessful and this was discussed.

Apprenticeships have been growing for the Group with future growth measured by apprenticeship funding roll-over which was a £1m increase from the previous year. The Group's contracts for non-levy would need to increase. However, confirmation was awaited from the ESFA regarding the funding rules. The consultation indicated organisations could overperform by 3%, which would work to close the gap in AEB. The final decision should be available for July with the final forecast.

DCG is a partner with Nottingham City and Nottingham Trent University in four ESF projects. Greater activity is forecast under these contracts in 2019-20.

Funding for T Level implementation was expected for 20-21 and that is likely to be confirmed in July prior to finalising the budget.

Curriculum fees income was showing a reduction, the CFO would discuss outside of the meeting. Loan activity remained broadly similar, remaining a key potential growth area.

The payroll budget showed an 8% EBITDA figure which was achievable.

Members questioned achievement of 65% benchmark and noted cleaning was now in-house which contributed to the figure. However, based on current pay the Group was well within the 8% EBITDA figure.

The cashflow forecast was positive, including capital requirements.

RESOLVED: The Corporation approved the Initial Funding Allocations 2019-20 and Budget Assumptions.

Management Accounts – April 2019

April's Management Accounts had exceeded the operating position projected in the budget. The challenge will be to continue this for the rest of the year.

Franchise Activity

An underspend in the Learner Support Funds, has arisen due to a funding change in 2018-19, has led to the Group being able to increase funding for delivery.

As such approval was sought for additional franchise activity to a value of £269K to be allocated flexibly across the following providers:

- Chameleon
- White Rose
- Sigma
- CSP

RESOLVED: The Corporation approved the additional franchise activity to a value of £260K across the four providers listed.

OFS Letter

The Chair had received an undated letter from the Office for Students (OFS) highlighting to Members a demographic decline in the short term and highlighting the risk to Boards.

Higher education is less than 6% of the Group's delivery. The Group's growth numbers are based on confirmed learner numbers. Members were also asked to note an additional learning programme, Animal Management and Zoology had been introduced due to demand.

69/18-19 ESFA 2017-18 FINANCIAL HEALTH CONFIRMATION AND DASHBOARD

The ESFA annually review the audited financial statements, finances record and assurance returns. Their letter dated 21 March 2019 confirms their grading for the 2017-18 academic year as 'good'.

70/18-19 LGPS PENSIONS DISCRETIONS STATEMENT

The CFO presented a report on the updated LGPS pension discretions.

LGPS and the local administrators (Derbyshire LGPS) periodically issue new advice to scheme employers on best practice and recommendations for the operating scheme.

The DCG discretions schedule was shared, along with the flexible retirement policy for approval.

RESOLVED: The Corporation approved the DCG Discretions Schedule and Flexible Retirement Policy.

71/18-19 FE COMMISSIONER LETTER

The Clerk shared the highlights from the FE Commissioners letter received on 7 May 2019.

The letter reinforces the need for financial sustainability and follows a number of changes in Government policy.

Members were asked to particularly note the point relating to the Management Accounts which were circulated to all Members with the Corporation papers (5 times a year) and received monthly by Audit and Finance Committee members. These would now be circulated monthly to all members of the Corporation.

The CFO confirmed the future cashflow forecast presented would be in a 24-month format.

Members were also asked to note the Ten 'C' Characteristics of a Well-Run College, which had been appended to the letter.

72/18-19 THE NEW COLLEGE OVERSIGHT SUPPORT AND INTERVENTION REGIME

The Clerk delivered a presentation produced by the AoC on The New College Oversight Support and Intervention Regime, which was published in April 2019.

The presentation covered the four stages of the regime, highlighting triggers members should look for, with a focus on preventative measures.

73/18-19 STRATEGIC RISK MONITORING

Members received the Strategic Risk Monitoring Report which provided an update on high priority risks identified on the Risk Register and a summary of current litigation being taken against the Group.

Reference was made to Risk 45, which related to devolution and Risk 60 which was associated with Capital Funding. The accompanying report detailed the preventative controls the Group had in place.

The reduced risks were highlighted and reference made to two litigation cases.

There were no significant safeguarding issues or prevent referrals to escalate.

74/18-19 KEY PERFORMANCE INDICATORS

The Deputy CEO reported on achievement towards the Key Performance Indicators for 2018-19.

The financial elements had already been covered earlier in the meeting.

Members discussed attendance and new strategies were in place from September to address.

75/18-19 GOVERNANCE EVALUATION

The Clerk presented a report on the governance evaluation trial.

The report was for information only at this stage, but it was noted limited responses had been received from the Board.

Some members indicated they had not received the evaluation, and problems with Survey Monkey were noted. The Clerk agreed to provide in MS Forms which was a more suitable format and should be easily accessible for Board Members.

76/18-19 POLICIES

The Corporation had received the Freedom of Information Policy remotely for approval.

Approved: The Corporation ratified the Freedom of Information Policy which had been received and approved remotely.

The meeting finished at 6.50 pm

Signed: _____ Date: _____