



**WEST NOTTINGHAMSHIRE COLLEGE
CORPORATION BOARD**

Minutes of the Board meeting held in the Board Room at the Derby Road site on Thursday 17th December 2015 at 5pm

GOVERNORS Ian Baggaley
PRESENT: Tim Clarke
 Nevil Croston, Chair
 Terry Dean
 Nick Golubs
 Malcolm Hall MBE
 John Holford
 Dame Asha Khemka DBE
 Diana Meale
 David Overton
 Colin Sawers
 Chris Winterton

ALSO IN ATTENDANCE: Maxine Bagshaw, Clerk to the Corporation
 Patricia Harman, Deputy Principal Teaching and Learning
 Andrew Martin, Deputy Principal Finance
 Thomas Stevens, Executive Director Capital Projects & Estates
 Andrew King, Director Strategy & Innovation
 Louise Knott, Director Communications, Marketing & Learner Engagement
 Tracey Thompson, Director of HR
 Sacha McCarthy, Director of Employer Engagement

15.73 DECLARATION OF INTERESTS

The Chair reminded those present to declare any interests on items to be considered. No interests were declared.

15.74 WELCOME INTRODUCTIONS AND APOLOGIES FOR ABSENCE

Apologies for absence were received from Hari Punchihewa, John Robinson and Kate Allsop. The Clerk took the opportunity to advise that the student Governor, Shania Henson had resigned from her position. She had explained that because of studying and work commitments she had not felt able to continue in this role.

15.75 MINUTES OF THE MEETING HELD ON 19TH NOVEMBER 2015

The minutes were reviewed and agreed as an accurate record.

ACTION by whom	DATE by when

Signed : _____ Chair

Date:

AGREED: to approve the minutes of the meeting held on 19th November 2015.

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In relation to the minutes of the meeting, one Governor who was absent from the meeting in November questioned the content of paragraph 3, page 5. It was explained that the ILR data provides a summary of the whole student information package and that sharing this with other Colleges and the FE Commissioner Advisors during the area review process will give greater clarity regarding a number of areas, including travel to learn patterns, duplication, marketing budgets, subsidised transport etc. At the meeting in November, KPMG had indicated that they were struggling to see a sustainable model for the sector, however it was noted that this view was expressed before the comprehensive spending review which was not as bad as feared. At that time they felt could not advise on a clear picture about what a sustainable model would look like although it was acknowledged that there are a number of models available.

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In relation to page 10 and the bullet points b and c at the top of the page, one Governor questioned whether what was referred to is a matter of political opinion rather than really being part of the prevent agenda. John Holford particularly raised a concern that the line drawn is being moved and is distinct from violence. The Director for Communications and Learner Engagement explained that the risks identified and reported in the minutes come directly from the Police register for the area. It was confirmed that these risks relate to violence and do not relate to individuals exercising legitimate protest.

15.76 ACTION PROGRESS REPORT

Members reviewed the table and were happy with the updates provided. In relation to item 6 it was agreed that the half day workshop planned for 14th January 2016 regarding the area review options would need to be rearranged because there are a significant number of Governors who cannot attend. The Clerk confirmed that she would circulate an alternative date early in the new calendar year.

Clerk

Jan 2016

15.77 PREPARATION FOR OFSTED

The Deputy Principal for Teaching & Learning introduced this item and provided a presentation to Governors. Key points noted were:

OUTCOMES FOR LEARNERS

Quality Improvement Plan:

- Improvement success rates in:
 - Classroom based learning 16-18 level 3 vocational provision
 - Level 2 functional skills maths
 - Timely success in advanced apprenticeships

Role of Governors:

Signed : _____ Chair

Date:

- Awareness of areas of concern
- Confidence that these are being addressed

16 – 18 Level 3

- Key area: (below 80% success rate)
 - Sport (retention)
 - Public services (retention/achievement)
- Improved attendance monitoring/follow up
- Common assessment weeks
- 'Special measures' monitoring
- Retention sport 100%
- Retention public services 97% and 98%

- Key area: (below 80% success rate)
 - AS Level sciences, maths , geography, ICT, accounting, psychology (achievement)
- Performance management of staff
- 'Right choices' process, initial assessment and induction tasks
- Improved subject reviews
- Retention 99%

- Key area: (below 80% success rate)
 - Health and social care (retention) – 2015/16 98% retention
 - Early years (retention) – 2015/16 76.9% (year 2); 98% (year 1)
- New health and social care course team
- Special measures monitoring
- Improved teaching and learning and student experience.

Maths functional skills

Key issue: maths level 1 and level 2 (achievement)

- Whole college approach
- Performance management
- Recruitment of staff difficult
- Improved tracking systems
- Early interventions
- Communication with course teams
- Positive student feedback

Timely success

Key issue: Timely success advanced apprenticeships

- Provision from VWS and partners no longer working with
- Reviewed length of stay – minimum/required

Inspection

- Use of the governors' portal
- Leads for inspection themes
- Position statements

Signed : _____Chair

Date:

In terms of outcomes for learners she reiterated that there were 3 key issues and areas for concern that Governors will want to monitor and be very aware of these are:

- 16-18 level 3 learners. In relation to sports provision it was explained that the College now has a new head of school who is very experienced. In addition to this the College has introduced a rigorous attendance monitoring process
- Maths Functional Skills – this remains a concern both for the College and nationally although vocationalisation of maths is being seen as a positive.
- Timely success

Governors were reminded that ‘outcomes’ are not the only measure of success that a college is judged against. Destinations are equally as important, this is a very positive picture and story for the College. The College is also focusing on improved progression along the levels of provision available.

AGREED: to note the presentation provided.

15.78 PRINCIPALS REPORT

The Principal introduced her written report and drew members attention to a number of matters:

1) AOC CONFERENCE FEEDBACK

In a turbulent and uncertain time for the FE sector this years’ AOC conference felt somewhat ‘downbeat’. It was noted that at the date of the conference the CSR had not been published and therefore the sector was expecting more significant cuts than actually materialised. The sector currently delivers only 33% of the UK’s apprenticeships and therefore something has to be addressed urgently if Colleges are to thrive or even survive. It was suggested that training providers are ‘stealing the FE sectors lunch’. West Nottinghamshire College is at the forefront of this agenda and the largest College provider of apprenticeships in the country with 13,000. Another key focus within the conference was productivity and its reliance on the skills sector.

2) SPENDING REVIEW

Analysis and potential impact will be presented to Governors as and when further information is available, however the expected funding cuts predicted did not materialise. The Government published this week its 2020 vision for achieving their 3 million apprenticeship target. It is hoped that Stuart Segal the Chief Executive of the Association of Employment Learning Providers will attend a Board meeting early in the new year to share his view of the apprenticeship agenda from an employer perspective.

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3) MIDLAND ENGINE FOR GROWTH

Friday 4th December saw the official launch of the Midland Engine for growth prospectus by the Secretary of State. The prospectus included the further education proposition led by West Nottinghamshire College and supported by over 24 Colleges from the East and West Midlands. Whilst this is a step in the right direction, there is still a lot more work that needs to be done.

4) AREA REVIEWS

Area reviews are now clearly having an impact upon certain pre conceived expectations. The FE Commissioners view, expressed to the Principal, is that solutions will not simply be locally based and that Colleges and the review teams may need to look wider. In terms of apprenticeships the College is the largest provider in the UK. 30% of the whole is delivered in the Midlands and of this West Nottinghamshire College provides 70%. What the College now needs to do is increase and improve its higher apprenticeship offer. In 14/15 the College did not deliver to its apprenticeship targets/allocation, all agreed that this was not a position that could be repeated in 15/16.

In relation to the area review processes currently underway and planned there are some Colleges who have decided not to participate, the sector will have to see how this develops. It was acknowledged that the College needs to do a lot of work, particularly in relation to the potential impact of the apprenticeship levy and then the Board will need to agree how the College positions itself best to respond to the known and expected changes.

5) IMPACT OF SKILLS AND INTERVENTIONS ON THE UNEMPLOYED – PHASE 1 REPORT

The Principal explained this was a good piece of news and gave important recognition to the sector.

6) OFSTED ANNUAL REPORT 2014/15

The report highlighted the underachievement of secondary schools and the division between the North and South. Also noted was the declining grade profile for general FE Colleges, in particular that only 35% of English and Maths provision had been judged good or outstanding.

7) HR & RECRUITMENT UPDATE

The recruitment process for the Deputy Principal Teaching & Learning and the Principal for Vision Studio School will conclude in January. A considerable number of applications have been made and the shortlisted candidates look quite strong on paper.

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In relation to the planned Governor development session in January it was agreed that a better date needed to be identified. The Deputy Principal Finance indicated that the senior team were also looking to update the financial plan, which will take account of the need to respond and reduce reliance on partners. It was felt that if a date could be found towards the end of February/ beginning of March then this would give an opportunity to include both an update on area review options and also consideration of an updated financial plan.

In relation to the commentary provided regarding the spending review it was confirmed that NVQ's will no longer be funded in the workplace and this will effectively be the end of train to gain. From 16/17 any training in the workplace is expected to be paid for by employers.

AGREED: to note the content of the report provided.

15.79 KPI REPORT

The Director for Strategy and Innovation drew members' attention to the full data dashboard information provided in the meeting pack. In addition to this he circulated a summary 10 point KPI table. Key points noted were:

- 1) Total learners – the College remains around 4000 learners behind the same point in the prior year. The major difference between years is the delay to ESF funded projects that ended last year and are now unlikely to start before May 2016, therefore the College is likely to remain below the total learner numbers compared to last year. The College still awaits ESF contract allocations but it is unlikely to compensate for the shortfall.
 - 2) Fulltime 16-18 learners - the number of 16-18 fulltime learners has fallen by 31 compared to last month. Whilst this is a slightly larger fall than the previous year it does still mirror the same pattern. In line with the pattern of previous years the College would expect numbers to stabilise for the rest of the year but given the nature of attendance, the numbers will not increase significantly. Attendance and retention across schools is being monitored closely and at risk learners identified and supported to reduce any further drop out. The position is expected to stabilise but as this relates to fulltime learners it is not expected to improve significantly. The Board questioned whether there was a common theme regarding why students were leaving. It was explained that there is an improved trend of students going in to employment but further analysis is required. It was agreed that a detailed analysis of withdrawals would be provided at the next meeting. It was acknowledged that a 'withdrawal' even to a positive destination will still be recorded and therefore it is important that the College can give very specific case studies.
- Q The Board questioned whether the College is doing enough to monitor whether or not students are going on to course

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appropriate jobs. It was confirmed that this is monitored and tracked and it is often the case that College staff try and encourage students to stay if a particular course and progression is better for them, but ultimately the choice of whether to stay or go remains with students.

Q The Board questioned what the financial impact is of a student withdrawing. It was explained that this can vary but generally/on average a fulltime learner equates to £4000. In relation to the 4000 less total learners reported it was explained that the financial impact of this is very small as the College prudently made the assumption not to budget for ESF income.

- 3) Apprenticeship starts – apprenticeship numbers have more than doubled (from 987 to 1883) again in the last month and are now marginally ahead of where the College was at the same point in the prior year. If the College can continue with the current trajectory then it will exceed the apprenticeship starts target that has been set for the year.
- 4) Graded lesson observations (College) – there have been 64 graded observations (of 334 planned) carried out so far and of those 78% have been good or better which is below the target set of 85%. However, more observations are being carried out so next month will give a better indication of the pattern of graded observations.
- 5) Graded lesson observations (partner) – very few graded observations have been carried out (13 out of a planned 230) and therefore while initial results are promising it is far too early to draw any conclusions from this data and future months will give a clearer indication of the pattern of graded observations.
- 6) Staff absence – there has been a small reduction in staff absence by 0.1% to 3.6% this month. This takes the College below the latest national benchmark and moves us towards the target of 3.4%. There is a streamlined process for managing absence in place and all absence is being actively managed and monitored.
- 7) Financial indicators
 - a) Operating surplus – whilst still a positive at £85k the operating surplus is down compared to the previous month. This is due to delay in data processing and it is therefore expected that the trend will be reversed next month.
 - b) Financial health score – financial health score has reduced from 160 to 140 this month but remains above the target level of 120.

AGREED: to note the updates provided.

15.80 2014/15 FINANCIAL STATEMENT AUDIT MANAGEMENT LETTER

The Deputy Principal for Finance introduced this item and confirmed that a copy of KPMG's report had been reviewed in detail by both the Audit

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and Finance Committee. Key matters brought to members attention were:

- Page 25 – this provides an introduction and summarises the audit approach. It explains what auditors are trying to achieve.
- Page 26 – this provides an executive summary. Auditors confirm the expectation to provide an unqualified clean opinion. There are a number of minor matters outstanding all of which are usual at this particular point in the year.
- Page 27 – this summarises the minor adjustments. There are 3 performance improvement observations, none of which are of any significant consequence. They also provide their regularity audit opinion on this page.
- Page 28 – confirms that the subsidiary companies have also been subject to audit.
- Page 29 onwards details the areas of risk. There are no findings of significance or instances of fraud or override.
- Page 32 – this sets out auditors responsibilities
- Page 33 – this is the appendices
- Page 34 – this provides more detail regarding the 3 low priority improvement recommendations.
- Page 36 – this clarifies the impact of adjustments made
- Page 37 – this provides commentary on the Colleges financial performance. The significant improvement from 13/14 is noted.
- Page 38 – this page clearly identifies the performance relating to ASB. The year saw underperformance and money will be repaid to the SFA.
- Page 39 – shows that the balance sheet has strengthened
- Page 40 – provides commentary on the financial forecast
- Page 41 – includes comments regarding the pension scheme and the increased net pension liability. It was confirmed that pension liabilities are expected to continue to rise. KPMG have confirmed that they are happy with the FRS17 assumptions made.
- Page 43 onwards provides sector updates, and are matters for the Board to be aware of and continue to monitor.

AGREED: to note the content of the 2014/15 financial statements audit management letter.

15.81 AUDIT COMMITTEE ANNUAL REPORT FOR 2014/15

The Audit Committee Chair and the Clerk introduced this item, they confirmed that it is a summary of activity undertaken for the year. Members' attention was drawn to section 3 which provides a summary of the outcome of internal audit work completed. Members' attention was drawn to section 9 which summarises an issue of potential fraud or irregularity investigated throughout the year. The Audit Committee Chair confirmed the Audit Committees opinion, which is based on the requirements of JACOP, is included within section 12 of the report.

AGREED: to note the content of the Audit Committees annual report for

Signed : _____Chair

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2014/15.

15.82 **2014/15 MEMBERS REPORT & FINANCIAL STATEMENTS**

The Deputy Principal Finance introduced this item and confirmed that the report and consolidated financial statements had been reviewed in detail by the Finance Committee. He confirmed that they had been prepared on the basis of the Further Education SORP. Key points brought to members attention were:

- Page 59 – this sets out the Colleges mission, public benefit statement and business plan
- Page 63 – this summarises the Colleges financial position and cash flow
- Page 64 onwards summarises the Colleges broader performance and gives detail of the resources that the College has had access too.
- Page 66 details the principle risks and uncertainties
- Page 69 provides clarification of stakeholder relationships and also gives a position statement regarding equal opportunities and employment of disabled persons
- Page 70 is the disclosure statement required
- Page 71 summarises the Colleges professional advisors
- Page 72 is the statement of corporate governance
- Page 73 is a list of Governors including both Committee and Board attendance statistics.
- Page 74 summarises the work of the Board
- Page 75 provides detail regarding the internal control framework
- Page 77 confirms that the accounts are presented on the basis of the College continuing as a going concern
- Page 78 is the Governing body statement
- Page 79 is the statement of responsibilities of the Board and Corporation
- Page 81 confirms that independent auditors have provided an unqualified opinion
- Page 83 again confirms that in relation to the regularity audit auditors have provided an unqualified opinion
- Page 85 onwards provides the financial data in the consolidated income and expenditure accounts. Total income for the year has increased. Staff costs are much lower. The surplus position is much improved when compared with the deficit position in the prior year and is made up of contributions from the College, BKSB and VWS
- Page 87 is the balance sheet. This shows a strengthening. Reserves have also improved, it was confirmed that this year the College has hit the bank loan covenant regarding the level of reserves required.
- Page 89 onwards is the notes to the accounts.

Signed : _____Chair

Date:

Q In reviewing the accounts the Board commented that 5 subsidiary companies are recorded, they questioned whether this includes VWS. It was explained that yes it does and there were transactions during the year, particularly regarding the exiting of properties. 15/16 will see less activity within the VWS accounts but it is still expected that there will be a small surplus.

The Board in reviewing the financial statements all agreed that it was excellent to see a financial turnaround so quickly achieved. There was clear evidence of good cash control. In concluding his report the Deputy Principal Finance drew members' attention to all of the subsidiary company accounts included within the pack. He confirmed that each of these have been reviewed by the Board of directors for each subsidiary company.

AGREED: to approve the 2014/15 Members Report and Financial Statements as presented.

15.83 LETTER OF REPRESENTATION 2014/15

The Deputy Principal Finance introduced this item and confirmed that it is a requirement that the College confirms its position to auditors. He explained that there are a few minor changes from the version included within the pack but that these had no material impact. The letter of representation confirms that the accounts have been presented on a true and fair basis, are complete and that the College has not withheld any information when preparing these.

AGREED: to approve the Letter of Representation 2014/15.

15.84 LETTERS OF SUPPORT 2014/15

The Deputy Principal Finance explained that two of the subsidiary companies, Vision Apprentices and VWS require letters of support because of the trading position. He explained that the format is standard and is in line with those utilised and approved in prior years.

AGREED: to approve the Letters of Support for 2014/15 presented in relation to Vision Apprentices Ltd and Vision Workforce Skills Ltd.

15.85 PARTNERSHIP UPDATE

The Director for Business Development and Employer Engagement introduced this item and explained that approval was sought for the contract amendments detailed since the last report to the Board in September 2015. She confirmed that the outcome following the first performance management review point with partners has concluded demonstrating that planned profiles across funding streams at headline level are in line with plans submitted. Contracting out for adult apprenticeship funds is being sought with potential scope for growth or

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new partner engagement and plans continue to support new partners with agreed profiles from January 2016.

By way of context it was explained that there were some concerns expressed at the AOC conference regarding management fees applied. Assurance was given that in the main the College applies 20-30% and that feedback obtained from partners is that the service provided for these fees are excellent. Part of the service provided to partners includes:

- BKS
- E-portfolio/E-Assessor
- Teaching and learning consultants
- Partner officers

There has been some negative publicity in the sector regarding high management charges taken by some Colleges. Assurance was given to the Board that the College team have a robust and broad infrastructure in place to support partners, however it is likely that the whole subcontractor infrastructure will collapse within the next 2 years. Assurance was given that the Colleges strategy to be able to respond to this has been developed. It is believed that a lot of partners will still want to purchase support from the College and there are a number of different discussions ongoing regarding how the model may work.

Members attention was drawn to the written report provided and key matters noted were:

- The partnership Board report for 2015/16 was approved on 17th September 2015. This paper today includes any amendments requiring approval and is highlighted within the appendices in yellow. Those subcontractors highlighted in pink are new partners and subject to due diligence. Interim contracts are noted and subject to approved due diligence before funds are to be released (page 193)
- Current partners who have been awarded a contract in 15/16 but were excluded from the previous Board report are Construction Skills People, Free To Learn, Acorn Training Ltd, Integrity IT Solution Ltd, Portland Training Company Ltd, Track Training Ltd and Training Futures Ltd.
- There are an additional 8 new providers who are currently going through the due diligence process and are at different stages. Subject to approval and due diligence, profiles and allocations are aligned for delivery in January 2016.
- Due to increased austerity measures already released in to the sector it is anticipated that there will be increased scrutiny this year at a transactional level on SFA contract performance. To that end it is planned that any underperformance at an individual partner level which falls outside of the SFA performance measures will result in funds being reduced and redeployed with partners who are over performing or used to attract new high performing partners in year. In addition the

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team will look to work seamlessly with College core to utilise any potential underperformance rapidly to prevent SFA contract reduction.

- Financial performance against contract value will be measured in line with the performance tolerances previously reported
- At the first management review point in year the contract will be measured against the cumulative contract drawn value measure of 12% tolerance (this has now been done). Details are outlined at headline level against each of the funding streams.
- The planned profile at the end of period 4 (November) for 16-18 apprenticeships are £1,199,176 with a tolerance range value target of £1,055,274. Income generated at period 4 equated to £1,120,288 demonstrating that partners are currently performing at planned levels.
- The planned profiles at the end of period 4 (November) for adult apprenticeships are £3,000,055 with a tolerance range value target of £2,640,048. Income generated at period 4 equated to £2,852,828 demonstrating that partners are currently performing at planned levels. It should be noted that planned profile for the first 4 months was approximately 22% of the contract allocation for the year. Therefore the risk for this area of ensuring partners perform at the planned level needs to continue.
- The planned profiles at the end of period 4 (November) for other adult skills are £1,161,605 with a tolerance range value target of £1,022,221. Income generated at period 4 equated to £1,004,100 demonstrating that partners are currently performing slightly under planned levels.
- The outcomes, on an individual basis against each of the partners, has been communicated and contract amendments have been made, whether this be a reduction in allocation or an approval to support growth on over performance.

Members reviewed the report in detail and all agreed that what had been introduced seemed to be showing a positive way forward.

AGREED:

A) to note the update provided, particularly in relation to partnership performance at the first formal partnership performance point.

B) Approve the amendments sought by way of highlighted changes on pages 193 & 194.

15.86 GOVERNOR/COMMITTEE CO-OPTEE RECRUITMENT

The Clerk provided a verbal update and confirmed that efforts were ongoing to seek to recruit additional full Board and Committee members. She confirmed that two recommendations are put forward in relation to Committee co-optees at this stage.

The first is Alan Mele of Barclays Bank as a Finance & Resources

Signed : _____Chair

Date:

Committee Co-optee and the second is Darren Wilkinson of Natwest Bank as an Audit Committee Co-optee. She provided a summary of their background and interests. The Board were happy to support the recommendations made.

AGREED:

A) to appoint Alan Mele as a Finance & Resources Committee External Co-optee. This appointment to be for a 4 year period from 17th December 2015.

B) Approve the appointment of Darren Wilkinson as an Audit Committee External Co-optee. This appointment to be for a 4 year period from 17th December 2015.

15.87 FINANCE REPORT OCTOBER 2015

The Finance report provided on the Governors portal was noted, there were no questions on the content.

15.88 2014/15 INTERNAL AUDIT ANNUAL REPORT

The content of the report provided on the portal was noted. It was acknowledged that some of this detail had also been included within the detail provided earlier in the meeting at agenda item 9.

AGREED: to note the content of the report provided.

15.89 EXCEPTION REPORT – SAFEGUARDING EQUALITY & DIVERSITY

The content of the report provided on the portal was noted.

15.90 AUDIT COMMITTEE MINUTES FOR THE MEETING HELD ON 4TH DECEMBER 2015

The content of the minutes was noted.

15.91 AOB

As a matter of additional business the Chair of the Standards Committee took the opportunity to confirm that a HE sector green paper has been circulated. Full details of this have been provided to Governors by way of a link. Governors were encouraged to read and respond appropriately.

15.92 DATE OF NEXT MEETING

The Clerk confirmed that the next scheduled Board meeting was 28th January 2016 at 5.00pm. It was again noted that an alternative date for the 14th January 2016 development session would be scheduled which will include area reviews and an update to the financial plan.

Signed : _____ Chair

Date:

15.93 **CONFIDENTIAL ITEMS**

It was agreed that confidential items would be recorded separately. Staff and students (save for the Principal and Deputy Principal: Finance left the meeting at 6.30pm.)

Meeting closed at 7.00pm.

Signed : _____Chair

Date: