WEST NOTTINGHAMSHIRE COLLEGE
CORPORATION BOARD

Minutes of the Board meeting held in the Board Room at Derby Road on Thursday 18th May 2017 at 5.00 pm

GOVERNORS PRESENT:	Kate Allsop Ian Baggaley Tim Clarke Nevil Croston, Chair Jamie Fryatt Malcolm Hall John Holford Dame Asha Khemka DBE DL David Overton Marc Jones Jane Hawksford
ALSO IN ATTENDANCE:	Maxine Bagshaw, Clerk to the Corporation Andrew Martin, Deputy Principal/Director of Finance Lesley Roberts, Vice Principal Business Development Tom Stevens, Executive Director Capital Projects and Estates Andrew King, Director Strategy and Innovation Julian Smith, Director Learning and Innovation Louise Knott, Vice Principal Communications, Engagement and Student Experience Tracy Thompson, Vice Principal Human Resources and Organisational Development Amanda Jogela, Director Quality and Performance

		ACTION by whom	DATE by when
17.33	**<u>DECLARATION OF INTERESTS</u>**		
	The Chair reminded Governors present to declare any interests that they may have on items to be considered. No interests other than standing items were declared.		
17.34	**<u>WELCOME INTRODUCTIONS AND APOLOGIES FOR ABSENCE</u>**		
	Apologies for absence were received from Terry Dean, John Robinson, Mark Williams and Alison Breeden.		
17.35	**<u>MINUTES OF THE MEETING HELD ON 27TH APRIL 2017</u>**		
	The minutes were reviewed and it was agreed that they were an accurate record of discussions.		

AGREED: to approve the minutes of the meeting held on 27th April 2017.

There were no matters arising.

17.36 ACTION PROGRESS REPORT

Members noted the content of the table and were pleased with progress being made.

17.37 2016/17 KPIS AND CURRENT FINANCIAL SUMMARY

The Director for Strategy and Innovation introduced this item and confirmed that, as it has only been 3 weeks since the last Board meeting, there are a number of KPIs that have not moved/required updating. A copy of the top 10 KPI summary report and A3 data dashboard was circulated. Key matters noted were:

- 16 – 18 volumes – small increase in move from FE to apprenticeships (up from 26 to 28) but otherwise no change.
- Study programmes main qualification progress (level 3 qualifications) – the report shows that there has been a small fall across three areas. For applied general in particular, this was due to some data being missing from some courses. This data has now been added and has improved to -0.18. For A Levels it has been more difficult to assess due to the new assessments for most A Level courses, including the move from 1 to 2 year courses. He provided assurance that support is in place for all A Level courses and also explained that a very cautious approach is being taken in terms of predictions given the new assessments in place. He indicated that since the preparation of the data tables there have been more assessments and, particularly in relation to applied general and tech, there is a view that they are largely where they need to be at this particular point in time.
- Study programmes English and Maths progress – improvements have been made in both English and Maths, particularly in Maths. Progress in Maths has been particularly poor in health and social care due to poor attendance and attitude of the learners. The progress in English has improved at a slow rate but again this has been difficult to assess due to all new assessments being in place and the removal of any course element. He confirmed that in Maths the attitude of students is being challenged and attendance closely monitored with additional sessions to improve preparation for the final exams. Following the mock exams in Maths tutors have been focusing on gaps in order to prepare students for the final exam. In English extra revision sessions and homework is being given to learners to help them prepare for the exam. He provided assurance that an awful lot of work is ongoing and it was noted that students will be sitting their exams very shortly.

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- Adult education budget – no real change since the last report.
- Apprenticeship income (split between College and partner delivery) – this has not been updated as it is picked up in agenda item 12 later on in the meeting.
- Success rates (work placed learning) as above.
- Customer satisfaction – 97% of work place learners and 100% of employers have responded positively in the latest survey. However, this only relates to 109 work placed learners and 182 employers. The College therefore needs to improve the volume of returns from both employers and learners. He explained that the team are reviewing the process by which survey data is collected from work place learners and employers to identify a more effective means of collecting this feedback.
- Partner graded lesson observations – the graded lesson observations of partners has increased slightly compared to the last report and is slightly ahead of the 75% target for being good or outstanding. Current position is 77.1%.
- Financial indicators – operating surplus – the operating surplus has increased to £321k compared to £291k last report – this is ahead of the revised forecast position of £68k.
- Financial health indicators – financial health score – financial health score has remained at 120 which is due to the draw down for the university centre. The position should improve once the draw down facility is repaid increasing the financial health score by at least 10 points.

AGREED: to note the content of the update provided.

17.38 <u>GOVERNANCE MATTERS</u>

The Clerk introduced her report and a number of matters were considered and noted.

1) Board Membership and Governor recruitment

Members' attention was drawn to the schedule showing current Governor membership and in particular the Governors who conclude their term of office shortly, these include:
- Marc Jones - 31st July 2017 (will have completed one year)
- Terry Dean - 15th October 2017 (will have completed 8 years)
- John Holford - 28th January 2018 (will have completed 8 years)
- Tim Clarke - 11th March 2018 (will have completed 4 years).

In addition to this there are a number of vacancies that already exist, notably following the conclusion of terms of office for Hari Punchihewa and Chris Winterton. She reminded Governors that the Instrument and Articles provide for a Board of up to 20 Governors this is 15 external, 2 students, 2 staff and the Principal, however for a number of years membership has been around the 18 rather than 20 mark.

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She advised that in relation to Marc Jones it is usual for the new Student Union President, once appointed, to take up the role of Student Governor. It is envisaged that his successor will be known in June 2017 and this will be communicated to the Board at this time. The Board were happy to support the appointment of the new Student Union President as a Student Governor.

She also advised that efforts have been underway to identify a second Student Governor following the resignation of Jean Marriot who unfortunately, because of ill health, has had to take a break in learning and therefore ceases to be eligible to be a Student Governor. She advised that a replacement has been identified and this is Luke Walters, who is a Level 3 Computer Science student and is progressing to HE next year. The Board were happy to support the proposal put forward that he be appointed as a Student Governor.

AGREED: to appoint Luke Walters as a Student Governor from 18th May 2017 until 31st July 2018.

In relation to external Governors the Clerk advised that the College needs to recommence its search to find new recruits as well as to consider re-appointments. In line with the adopted English Colleges' Code of Good Governance the usual maximum period of appointment is 8 years (2 x 4 years), however should the Board be of the view that to strictly apply this position would lead to a loss of key skills then the Board can decide to deviate from this maximum on a 'comply or explain basis'.

Members' attention was drawn to potential recruitment initiatives and it was agreed to:

a) More generally circulate the Governor recruitment flyer including the Principal's next attendance at the Mansfield 2020 meeting.
b) Place an advert on the College website.
c) Seek to develop an advert to be utilised through LinkedIn. It was noted that this network system has the facility for both free marketing or paid advertisements.
d) Utilise the only FE online facility as part of the recruitment campaign at an estimated cost of £395.
e) Register with SGOSS.

2) Succession planning

The Clerk explained that the Board may consider it a worthwhile exercise to try and identify a bank of suitable/interested individuals who can be considered as and when vacancies arise or are expected. She drew members' attention to page 41 which is a Succession Planning Policy which would support this. The Board were happy to approve the policy presented.

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AGREED: to approve the Succession Planning Policy presented.

It was also agreed that the Clerk would approach appropriate existing Committee Co-optees to ascertain whether they would be interested in taking up a full Governor role.

3) Committee Membership

Members' attention was drawn to the Committee membership schedule at page 43. She indicated that in terms of key roles the Board will need to identify someone to take on the role of Finance Committee Chair when Hari Punchihewa steps down as a Co-optee at the end of the academic year. Also to be identified is a replacement for the role of the Standards Committee Chair, should it be the case that John Holford is not re-appointed to a third term of office in January 2018.

4) Governor Links 2016/17

The Clerk drew members' attention to the schedule of links and put forward the proposal that Hari Punchihewa and Chris Winterton be replaced by two existing external co-optees. She explained that this would give them a broader experience of the College and may support their ultimate transition to positions as full Governors. The Board were happy to support this approach proposed.

The Clerk reminded Governors to make arrangements for a link visit if they have not already been able to do so.

5) Calendar of Meetings for 2017/18

The Clerk put forward proposals for the schedule of meetings for the next academic year. These were approved as presented.

6) Work Plan for 2017/18

The Clerk presented a draft work plan and it was explained that this is a framework document only with matters to be added throughout the year. The Board were happy to agree the work plan presented.

7) Committee meetings summary

The Board were happy to note the content of the Audit Committee summary following its meeting on 6th April 2017.

8) Use of the portal/papers

There was significant dialogue regarding a single or dual system.

It was clear from discussion that differing Governors prefer different mechanisms for receiving and reviewing papers and therefore it was agreed to continue with the current system which provides access to papers on the portal and also items for discussion and decision to be provided in paper form.

17.39 POLICIES AND PROCEDURES – ANNUAL REVIEW

The Vice Principals introduced this item and explained that the policies proposed for review were split in to two elements

a) HR Policies and Procedures

The Vice Principal HR and Organisational Development confirmed that these are all reviewed on an annual basis and are agreed with the trade unions. There are just two policies presented with changes, but there are no significant changes made overall. Members attention was drawn to the summary provided on page 54 and were happy to agree the updates provided.

AGREED: to approve the changes proposed in relation to the HR Policies and Procedures.

b) Safeguarding Procedure

The Vice Principal CE & SC confirmed that an updated procedure has been drafted to reflect changes in light of recent guidance. She confirmed that the procedure was in line with best practice. The Board were happy to support the proposal made but did make the request that references within the document to ‘school’ be changed to ‘College’. Subject to this minor amendment they were happy to approve the content of the updated procedure proposed.

AGREED: to approve the amended Safeguarding Procedure presented for 2016/17.

17.40 TUITION FEE POLICY

The Deputy Principal introduced this item and confirmed that the policy presented has been reviewed by the Finance, Resources and Estates Committee in February and it is their recommendation that the changes be approved. Key matters brought to members attention were:

- Page 78 - Fee remission categories – he explained that there was some flexibility needed, particularly in relation to apprenticeships and the remission categories.
- Fee increases for FE - a 2.5% increase is proposed and for HE no increases

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- He confirmed that any waivers have to be approved by either himself or the Vice Principal Business Development and therefore, particularly in relation to work based learning, waivers will be very limited as there are new mandatory fees set.
- Page 82 – apprenticeship fees - very much depend upon whether the employer is a levy or a non-levy payer
- Partners are now permitted to collect fees on behalf of the College. This was not the case when the policy was originally drafted in February and therefore a slight change has been made to reflect this. The apprenticeship fee system is a fairly complicated process and therefore it is expected that the policy and the Colleges response will evolve. It was noted that the new apprenticeship payment system will include a significant administration burden on back office services. The College is intending to utilise existing staff and as a consequence some roles and responsibilities will change. The College is prepared for the change in terms of processes but there will be a need to have flexibility to respond to any issues that do arise. It was confirmed that there will be an update on the Apprenticeship Fee Policy within the next 6 months.

VP BD	November 2018

AGREED: to approve the Tuition Fee Policy presented.

17.41 <u>JUNE STRATEGY RESIDENTIAL DRAFT AGENDA</u>

Members' attention was drawn to page 85. All agreed that the proposed agenda concentrates on the sector and College issues that are important. The Board were happy to approve the planning document presented.

17.42 <u>CONTEXT FOR THE BUDGET 2017/18</u>

The Deputy Principal introduced this item and confirmed that what was presented today was a 'context' document with the actual budget being presented to the July Board meeting. Key matters noted were:

Deputy Principal	July 2017

- Colleges will be funded in a very different way for apprenticeship programmes for 1st May 2017 where the new system will provide increased complexity with differing treatments of programme and types of employers, largely linked to the introduction of the apprenticeship levy in April 2017.
- This means that in 2017/18 the College contracts and budgets for apprenticeships will include a number of elements. There will be a 'carry in' contract for all activity enrolled and remaining on programme from prior to 1st May 2017, a contract for new start activity with none levy paying employers and a contract to access funding paid in to the apprenticeship levy by levy paying employers.

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- Different systems will be utilised for levy and non-levy paying activity as the digital apprenticeship service comes online for levy only employers, whilst non-levy activity will remain allocated and paid as on the current position up until December 2017 at least, after which the funding agency may or may not choose to operate this part of the system differently.
- There remains much confusion and uncertainty in terms of how the system will work. A co-investment contribution will be required from non-levy paying employers of 10% which will be subject to specific evidence. Some remission will be provided largely to employers with an evidenced average head count of less than 50 employers. Incentives will be paid to providers and employers for 16-18 apprentices.
- The College's allocation for adult apprenticeship provision in 16/17 was £14,750k and represents the targeted outturn in current year. Budgets for 17/18 will be built up from the base assumption position with College and partner delivery as planned.
- The adult education budget for 16/17 was a block grant of £6.98 million which is inclusive of community provision and adult learner support. For 17/18 this will be a £6.82 million allocation with a reduction in funding transfer to support EFA funded learners who extend beyond the age of 18. This is planned and allocated as a flat allocation following a number of years of decline and provides opportunities to refocus the College adult programme towards a more local profile.

He advised that because of purdah the usual guidance regarding financial planning has not been issued and therefore the team have had to assume that there will be no substantial changes. Next year there will be limited allocations and much more contract delivery. Targets in relation to apprenticeship provision are much more linked to sales projections and are delivery based. Whilst the College will still have a carry in contract. He advised that in relation to employers paying the levy there is no cap to the level of provision that the College can contract.

He advised that in relation to non-levy employers the College will receive an allocation and what is included within the budget is an indicative position up to December 2017. He explained that it has to be on the basis of indicative and limited to December 2017 as it is not known what the system will be after this time and therefore the College can only currently enrol up to 31st December. The College and the sector will need to see how employers respond to the system and the demand, there will need to be some flexibility. He advised that it makes it even more challenging than usual to set a budget. There are likely to be further policy announcements after the election and certainly before Christmas.

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Members' attention was drawn to page 89 and it was confirmed that there is a flat budget forecast in relation to AEB. The challenge for the College and nationally is the inability to spend the allocations.

For 16-18 provision the budget for next year will be £343k less in 17/18 than 16/17. This represents a fall in student numbers.

Overall between the 15/16 and 16/17 years the College saw an income drop of £738k and therefore the drop from 16/17 to 17/18 is declining in terms of the rate of reduction.

He advised that in terms of pay costs the College has been trying to control these very very carefully and there has been a review and response to falling numbers. The continued use of VBSS is very much seen as a positive.

Q/CH In reviewing the information provided the Board questioned and challenged the Deputy Principal in terms of the failure to spend the AEB allocations and they questioned why there was insufficient national demand. The Deputy Principal explained that there was insufficient demand within the funding policy set i.e. the links to advanced learner loans. He advised that there was no funding available for adult leisure learning. The government want the sector to focus on employability and the College is responding to this but is operating within a very constrained funding eligibility model. One example of an improved focus in employability is Thoresby Street which has started very positively in terms of construction provision. He advised that only £200k of the £7 million AEB budget is community learning and therefore this is very limited and is only provided on a viable group size basis.

He confirmed that the College is going through a number of consultations to remove excess capacity. Where possible natural wastage will be utilised to secure efficiencies, however it is likely that the College will need to go beyond this to respond to the financial challenges. He advised that some staff are choosing to reduce their hours and generally there is positive engagement with the consultation process.

As an overall observation he stated again that the budget setting process for next year is very challenging because there are so many unknowns in terms of apprenticeship provision.

AGREED: to note the content of the update provided.

17.43 **<u>FINANCE REPORT TO MARCH 2017</u>**

The Deputy Principal introduced this item and confirmed that there were only minor changes from the February to March position. Key matters noted were:

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- In the period the College group performance delivered an overall operating surplus before interest and depreciation of £2,047k (prior year £2,263k) after interest and depreciation this becomes a surplus of £321k, which is £252k ahead of the phased forecast (prior year £700k).
- The underlying performance in the first 8 months of the year is little changed from the end of December with a strong performance by BKSB, a weak performance by the College ameliorated by one off factors and timing issues and a one off benefit from VWS. There are some signs of progress within work related training but these must be viewed with caution and are some way off delivering concrete results.
- Whilst there is continued evidence of active engagement with employers within work related training the College must maintain focus on its classroom business, as at present there is some evidence of a drift away from financial targets within some schools of learning.
- Across the component parts of the group the College was well below budget with a surplus before interest and depreciation of £409k (corresponding month last year £1,151k) against a target of £611k. After interest and depreciation the College position is a £1,210 deficit (prior year a £261k deficit) against a forecast of £969k deficit.
- BKSB continues to deliver strong results with an operating surplus of £1,094k (forecast £1,036k) corresponding month last year £998k.
- Overall group income of £34.285 million for the year to date is £497k below forecast. Overall pay costs are below forecast by £11k but are £257k above last year. Excluding restructuring costs the group is £125k above last year. It was explained that pay costs are not significantly down, however the expectation was that there would be more direct delivery.
- The group balance sheet shows fixed assets declining gradually through depreciation. Receivables rose as accrued income as a result of a relatively low payment from the EFA, correspondingly cash fell to £480k net of the revolving credit facility. Cash excluding the revolving credit facility was £2,330k.
- Group reserves have increased to £9.087 million (excluding pension liability), a rise in month of £29k, remaining close to the bank covenant level of £9 million. He advised that it is important to make sure that the College sustains this performance and there is the expectation that the last 4 months of the year will be more positive.

In reviewing the information provided it was noted that the balance sheet as at March is the weakest point in the year. The expected yearend position is a £1 million surplus.

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The Board discussed the performance in differing schools of learning and questioned why there was underperformance in Creative Industries and Media. It was explained that there was low student recruitment and assurance was given that this is a focus for greater efficiencies and removing excess.

AGREED: to note the content of the update provided.

17.44 **VISION BUSINESS UPDATE**

The Vice Principal Business Development provided a slide presentation and a number of key matters were noted.

1) New vacancies – College direct delivery

- 78% of closed vacancies filled
- 22 vacancies rolled over from March and 41 were generated in April
- 4.5 week recruitment time scale which has come down from 6.2 weeks in the previous months.

One Governor present shared his own personal experiences of working with the College to recruit apprentices and advised that he had been informed that vacancies are closed after 2 weeks if not filled. If this is the case then this would impact upon the statistics. The Vice Principal Business Development was challenged to review the position with the team and check whether the statistics presented are genuine and not skewed/influenced by poor practice.

2) Green learners - College direct delivery

- No increase in green learners as any learners classed as green on previous lists have been invited to assessment centres. The list will be more accurate and learners will be truly job ready and assessed.
- Stakeholder engagement - spending more time with schools of learning and attending more stakeholder events. Creating pre-approved assessment centres for full time learners to be promoted to vacancies.
- 12 assessment centres now only reporting green learners who have completed assessment centres.
- 5 applicants matched with an employer.

3) Telesales conversion rates – College direct delivery

Easter holiday and annual leave led to performance below previous months but conversion and overall numbers remain high.

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4) Complaints and compliments – College direct delivery

It was explained that complaints have reduced significantly in April compared to previous months, however a 'no blame' reporting culture will mean that complaints continue to be consistent. The main area of complaints is in relation to construction.

5) Learners past their planned end date – College direct delivery

- 61 to 90 days - there are 6 completed and pending paperwork submission. She advised that this line is a significant risk as it is likely that they will go on to fall in to the 90 + category.
- 91 days + - 56 completed and pending paperwork submission.

6) Learners past their planned end date – partnership delivery

She explained that the team were having to put a lot of new systems in place with partners because they simply do not record in the way expected and therefore it is hard to compare like with like. The categories of focus are 61 – 90 days and 90 + as these have a financial impact and/or are likely to become withdrawals.

7) Starts against profile by age

The position for April was noted and the Board were advised that in May the team are not seeing as many starts. She provided assurance that this was not because the team are not working hard, however the new processes relating to the levy and the contractual position between the College and employers is simply slowing things down.

8) Starts against profile by age – partnership delivery

Actual starts for both March and April will increase further, however the same position is being seen in relation to May although this should pick up later in the year.

9) Financial performance – College direct delivery

- Readjusted profile to take account of poor start to May with lower than expected progressions and increased paperwork burden on pre service.
- £61k will be new starts. The remaining £243k will be OPPS.
- In terms of 16-18 apprenticeships pending breakdown, £114,758 is considered secure with £150k profile to July at risk.

10) Financial performance – partnership delivery

Potential achievement payments to period 12 for 16-18 are £204,281.

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Projected OPPS for period 10 to period 12 is £573,203 making a total of £277,484.

11) Withdrawal from programme – College direct delivery

The estimated amount of clawback from withdrawals for direct delivery in 15/16 and 14/15 £56,022.11. For 16/17 this is £97,129.98. The Board were advised that this is money already paid back and the College would have been in a much improved position if this was not the case.

12) Withdrawals from programme year to date – partnership delivery

There are withdrawal differentials on the dashboard presented when compared with previous reports. The graphs this month shows a combined picture with the data referring to which contract year identified in each column by different coloured blocks. She explained that withdrawals will impact upon 16/17 success rate which didn't use to be the case if the withdrawal referred back to the 15/16 contract.

Members attention was drawn to the update provided in relation to achievement rates (all levels,) she explained that the Board will continue to see the position in relation to timely steadily improve.

The Board were advised that the Employability Centre established in Mansfield is now operational and is doing really well.

AGREED: to note the update provided.

17.45 PRINCIPAL'S REPORT

The Principal indicated that given the short period of time since the last Board meeting she has no significant matters to report save for a confidential matter later in the meeting.

17.46 SAFEGUARDING AND EQUALITY AND DIVERSITY

The content of the Exception Report was reviewed and it was noted that there is a continuing upward trend in terms of actual referral numbers. The Board were advised that the College is continuing to do a lot of work with its partners and more detailed analysis undertaken regarding their monthly returns.

The Board were advised that without exception the Prevent referrals all relate to students accessing the Britain First website. It was explained that Facebook often provides inadvertent links which take students to unknown websites and therefore there are occasions where students are not actively trying to access this material. It was confirmed that Prevent referrals are all to do with accessing prohibited websites.

AGREED: to note the update provided.

17.47 ANY OTHER BUSINESS

There were no items of additional business.

17.48 DATE AND TIME OF NEXT MEETING

The Clerk confirmed that the date of the next formal Board meeting was 13th July 2017, in addition there is the scheduled June residential.

17.49 CONFIDENITAL ITEMS

It was agreed that confidential items would be recorded separately.

(Staff and Students left the meeting at 6.20 pm)

Meeting closed at 6.45 pm.

Signed : ______________________________Chair Date: