

GOVERNING BODY
Minutes of the meeting held at 2.00pm on 17 July 2015

Present:

R Carter (Chair)	K Golding (Vice Chair)
A Gordon-Stables	C Manning
S Gerber	A Maltpress
S Clarke	F Hotston Moore
A Head	J Bloomfield
S Daley	N Savvas, Principal

In attendance: L Johnson, Vice Principal, Curriculum and Quality
 L Moody, Vice Principal, Employer Engagement
 P Ewan, Head of Finance
 K Heathcote, Curriculum Director
 S Cook, Principal MidKent College
 S Potipher, Chair of Governors MidKent College
 J Bridges (Clerk to the Corporation)

There were no interests relevant to items on the agenda declared by members.

1 Apologies for absence

Apologies for absence were received from D Wildridge, W Burrlock, M Wagner and S Jones.

The Chair welcomed S Cook, Principal and S Potipher, Chair of Governors, from MidKent College who attended to observe the meeting. K Heathcote, Curriculum Director, was also welcomed to the meeting. It is proposed that she succeeds W Burrlock as Teaching Staff Governor, who steps down at the end of this academic year.

2 Minutes of the meetings held on:
2.1 20 March 2015

The minutes of the meeting (minute book pages G441a-G450) were confirmed as a correct record subject to inserting the word 'funding' in the final sentence of the first paragraph under item 6.1 to read 'The College's allocation for classroom based adult funding...'

JBridges

2.2 8 May 2015

The minutes of the Extraordinary Corporation meeting (minute book pages G451-G456) were agreed as a correct record subject to inserting the word 'as' between 'Trust' and 'it' in the opening sentence of the first paragraph under item 2.1.

JBridges

3 Matters Arising
From the meetings held on 20 March 2015 and 8 May 2015

The matters arising from the meetings were summarised in the report (minute book pages G457-G459) and all actions reported had either been resolved or, where appropriate, an update had been provided on progress elsewhere on the agenda.

C Manning confirmed that she will take the lead on Student Engagement further to J Finn retiring.

It was noted that the School of Computing is back up to full strength further to staff ill health in the year and success rates look good.

K Heathcote left the meeting for the following agenda item

Action

4 Appointment of Governors

The report was received and **considered** by members (minute book pages G460-G463).

The Chair thanked A Gordon-Stables for his time as a governor, 26 years, and for his commitment and valuable contribution. The Chair also expressed thanks, in his absence, to W Burrlock, Teaching Staff Governor, who also steps down after a four year term of office. He has been an active member of both the Audit and Risk Management and Standards and Excellence Committees.

- 1) The Teaching Staff Governor Election process took place in June 2015. Staff voted for Mandy Summons however she has since decided to leave the College. Over 180 staff took part in the election and the number of votes between Mandy and the next nominee, Kerry Heathcote, were close. The Corporation **approved** the appointment of K Heathcote. **Proposed** by S Gerber and **seconded** by F Hotston Moore.

K Heathcote was invited to re-join the meeting

- 2) Co-opted membership to the Audit and Risk Management Committee is subject to annual review rather than an appointment to serve a three year term of office. The Audit and Risk Management Committee, with the endorsement of the Appointments and Governance Committee, put forward the recommendation to reappoint N Roberts as a co-opted member of the committee for the 2015/16 academic year. The Corporation **approved** the appointment. **Proposed** by K Golding and **seconded** by C Manning.
- 3) The Appointments and Governance Committee asked each governor to reflect on their current Committee membership and consider whether they would like to change to an alternative Committee or to fill a vacancy. The Standards and Excellence Committee received an expression of interest from A Maltpress to join its membership. The Committee put forward a recommendation. The Corporation **approved** to appoint A Maltpress as a member of the Standards and Excellence Committee. **Proposed** by A Head and **seconded** by S Daley.
- 4) In accordance with the Standing Orders the membership of each Committee and all posts of Chair, and Vice Chair of each Committee shall be reviewed at least annually by the Corporation. The Corporation **approved** the membership noting that the Audit and Risk Management Committee does not wish to elect a Vice Chair and the Standards and Excellence Committee will consider the appointment of a Vice Chair at the first available meeting after vacancies have been filled. In the interim J Bloomfield will act as Vice Chair. **Proposed** by J Bloomfield and **seconded** by A Head.
- 5) The Corporation vacancies were advertised in the Bury Free Press and on the BFP and College websites. We received six expressions of interest and five candidates attended interviews this week with the Appointments panel consisting K Golding, S Daley and N Savvas.

The Appointments panel proposed to appoint R Inman to the Corporation and as a member to the Audit and Risk Management Committee with effect from 1 September 2015. He will serve a term of three years, expiring July 2018. The appointment was **approved** by the Corporation. **Proposed** by S Gerber and **seconded** by S Clarke. All agreed.

Chris Higgins was proposed to be appointed to the Corporation and as a member of the Resources Committee with effect from 1 August 2015. He will serve a term of three years, expiring July 2018. The Corporation **approved** the appointment. **Proposed** by K Golding and **seconded** by S Daley. All agreed. It was noted that C Higgins is also a Trustee of the Suffolk Academies Trust.

The Corporation received a third proposal to appoint Jim Gazzard as a co-opted member to the Standards and Excellence and Audit and Risk Management Committees with effect from 1 August 2015. His appointments to these Committees will be reviewed and renewed on an annual basis. The Corporation **approved** the appointments. **Proposed** by K Golding and **seconded** by S Daley. All agreed.

Each Committee vacancy, with the exception of one on Appointments, Governance and Remuneration, has been filled. The Chair proposed to reduce the number of members from seven to six for Appointments and Governance and from five to four for Remuneration. The Corporation agreed, with the proviso that the Terms of Reference include a clause to determine that in the event of a split vote among Committee membership, the Corporation shall have the casting vote. **Proposed** by S Gerber and **seconded** by C Manning.

J Bloomfield agreed to take the Equality and Diversity Governor Representative role. **Proposed** by A Head and **seconded** by S Daley.

JBridges

5 Quality and Performance

5.1 Key Performance Indicators

The report was received and **considered** by members (minute book pages G464-G470).

Financial Key Performance Indicators

The College has achieved its 16-18 funding target in the year (12 above the allocation). The number of applications for 2015/16 looks promising against a slightly higher funding target for the year.

Forecast income is slightly down (£81K) against budget and staffing costs year to date are 65.1% of normal operational income against a 64.9% target. The staffing cost to income ratio at the year-end is forecast at 64.4%.

It was noted that the forecast year-end 2016/17 surplus at £0.18m should be marked yellow to indicate that compliance is within 20% (£250K for surplus covenant) rather than green status (compliant). The Chair of the Resources Committee further pointed out that covenant requirements now refer to historic cost surplus as opposed to operational/trading surplus as currently reported. This reporting change will impact positively.

Curriculum and Quality Key Performance Indicators

The profile of good or better observations of teaching and learning has declined. However, the number of observation and re-observations in the year has significantly increased and the number of grade 1s observed more than double that of previous years. The one member of staff carrying a grade 4 into the next academic year will be re-observed.

Members asked if and how the increased number of observations in this year can be maintained. The Vice Principal, Curriculum and Quality confirmed that all

staff involved in teaching, whether they are permanent, hourly paid or fixed term employed as lecturers, assessors, learning support assistants, personal support tutors, etc are all now subject to observations and therefore the number of observations in the year are likely to be sustained at this level.

Retention overall is at 92% which is a 2% increase across the year. The wrap around support and positive intervention programmes personalised to meet the needs of the individual have positively impacted retention and it is likely that achievement has increased in line; bringing improved success on previous years.

Most apprentices have planned end dates in July and August, in which case best case success rates indicate that current success rates should increase and exceed the previous year's outturn. Students who do not achieve within three months of their planned end date have a negative impact on success rates.

Workforce Key Performance Indicators

The number of days lost due to sickness absence is low compared to national, other colleges and regional figures. The slight increase in absence percentage over the year is believed to be due to better absence management and inclusion of all staff into calculations and not just those on permanent and fixed term contracts. Long term absence (20 days or more) has been due to a number of cases of heart conditions, cancer related illnesses and/or recovery from operations.

Staff turnover at the College is low compared to all other sector benchmarks (Public, Private, Not for Profit, Education and Regionally). The data is comparable with the benchmark data as calculations are like for like using a 12 month rolling period.

5.1.1 *Financial Performance*

The report was received and **considered** by members (minute book pages G471-G473).

The accounts show a surplus for the ten months to the end of May 2015 of just under £47K compared to a budgeted deficit at this period of £750K. The year-end forecast surplus is at £109K which is just above budget and a conservative estimate. A larger surplus is expected than £109K even before unrealised clawback provision of £171K (16-18 apprenticeships) is taken into account. There is therefore no risk of banking covenants being breached.

5.2 *Quality Improvement Plan 2014/15 – exception report*

The report was received and **considered** by members (minute book pages G474-G477).

Progress against the QIP criteria has steadily improved throughout the academic year. The exception report provided members with an overview of the criteria that is now ahead of target, on target and those where progress has not been achieved at the expected rate.

Achievement of Assessments is now ahead of target and the electronic system (MarkBook) has proved invaluable to quickly identify where student progress is required and if they are on target to achieve.

The anticipated success outturn on resit GCSE A* to C is 52% Maths and 65% English. The National Rate (NR) for resits of 16-18 year olds is at 9% (Schools and Colleges) and only 6% in FE.

All sub-contractors have improved their success rates. The review of partner providers resulted in underperforming sub-contractors not being offered new contracts.

Despite best efforts the potential Best Case Success % for Intermediate Apprentices with a Learning Difficulty, Disability or Health Problem (LDD) have not improved. There are 15 early leavers out of 35 with LDD and 8 of these left the apprenticeship within 6 months of starting the programme. Learning Support is now in place at sign-up and as with all frameworks Maths and English are prioritised and front loaded. Some students have been on apprenticeships with businesses that are owned/run by family members but the principal reason for non-achievement is the lack of achieving their functional skills. Students have completed their NVQ but not achieved their functional skills and therefore not achieved their qualification. Engaging with the employers from the outset is key to ensuring that they are aware of any concern with the achievement of their apprenticeship at the earliest opportunity.

Success on Automotive courses remains an issue with success at or just above national rate (levels 1 and 2) and this is reflected in student motivation and attendance levels. The Director of Technology will focus solely on improving automotive success in 2015/16.

Overall success on Access to HE courses is anticipated to be at 81% which is just above the national rate. There has been significant improvement on some Diplomas and there is recognition that there are pockets of poor performance that the Standards and Excellence Committee is keeping under review. It was noted that Access to HE Law and Access to HE Engineering will no longer be offered and only one year courses will be offered in the future.

6 Strategic Matters

6.1 *Budget 2015/16 and Financial Forecast 2015/18*

The report was received and **considered** by members (minute book pages G478-G513).

The schedule received shows both a summary of the budget for 2015/16 and the three year financial forecast required by the SFA. The budget shows a planned surplus for the year of £166,852 and smaller forecast surpluses in the subsequent two years (£80K 2016/17 and £106K 2017/18).

Members commented that the full cost courses budget line appeared to be ambitious and questioned how achievable this increased level of income would be. The College has identified this as an area that needs investment and redevelopment in order to achieve increased income. This will come through the provision of commercial gas training as well as domestic and the appointment of commercially focussed, trained staff.

The 2015/16 staffing budget includes provision for incremental increases and a non-consolidated (one off) pay award of 1% and significant cost increases in respect of National Insurance and pension contributions. The staffing cost to income ratio therefore is forecast to be higher (around 67%) rather than the target

of 65%. The Resources Committee and the Corporation have challenged the Senior Management Team to look at the ratio and rein it back to more acceptable levels. The strategy is to increase income rather than reduce staffing costs.

The Resources Committee has approved a proposal to create a new category for assets with a longer useful life of 20 years. The category will be for Plant and Equipment and the College will depreciate the cost of the Biomass Boilers under this category thus recognising a reduction in the cost of depreciation by approximately £90K per year.

The proposed capital budget for equipment has been put at £130K and an allowance for investment of £60K at Newmarket Academy for Animal Care (total capital budget therefore £190K). It was noted that the impact of the College's sponsorship of an Academy has not been accounted for in the budget or SFA financial plan and the budget does not include any figures for the LEP grant and procurement of a site for an engineering centre due to a number of uncertainties around amounts and timing.

The Corporation **approved** the College Budget 2015/16 and **approved** the submission of the financial forecast 2015-18 to the SFA by the 31 July 2015. **Proposed** by S Clarke and **seconded** by F Hotston Moore. All agreed.

SJones

P Ewan left the meeting at 3.50pm

6.2 Land/Property Acquisition - SAT

The report was received and **considered** by members (minute book pages G514-G515).

Confidential item under paragraph 18(2) of the Instrument and Articles of Government

6.3 Property Acquisition Proposal – LEP

The report was received and **considered** by members (minute book pages G516-G517).

Confidential item under paragraph 18(2) of the Instrument and Articles of Government

7 Information, Discussion and Decisions

7.1 **Principal's Briefing**

The report was received and **considered** by members (minute book pages G518-G529).

Confidential item under paragraph 18(2) of the Instrument and Articles of Government

7.2 **Appointment of Internal and External Auditors for 2015/16**

The report was received and **considered** by the Corporation (minute book pages G530-G531).

Confidential item under paragraph 18(2) of the Instrument and Articles of Government

The Corporation **approved** the appointment of external auditors. **Proposed** by K Golding and **seconded** by S Gerber. All agreed.

The Corporation **approved** the appointment of internal auditors. **Proposed** by K

Golding and **seconded** by A Head.

The Chair of the Standards and Excellence Committee, S Daley, asked that the Committee receive the Maths and English and Work Related Experience internal audit reports when available.

7.3 Committee Chair's Summary Reports

The report was received and **considered** by the Corporation (minute book pages G532-G542).

Resources Committee

The Corporation **approved** the 1% non-consolidated pay award to be made in 2015/16. **Proposed** by S Clarke and **seconded** by F Hotston Moore. All agreed.

The Chair of the Resources Committee, S Clarke, reported that the equipment inventories and schedules are in place in order that the College can identify and audit against them to expose any potential servicing or maintenance risk to our assets. The Committee is tasked with the responsibility to provide assurance to the Corporation that the lack of servicing and maintenance schedules found in Engineering the previous year cannot arise again in any area of the College and while this is not the finished article reasonable assurance can be taken from the inventories and schedules that this is now being managed and controlled.

The Committee has asked for a review of College day-to-day banking and loan arrangements. It has discussed the possibility of a revolving loan facility option to borrow short term should the need arise to purchase the Engineering, STEM and Innovation property and pay back the loan once LEP funding has been received. To acquire the land associated with SAT there is the potential that the College could finance the purchase short term from cash reserves. External financial consultants will be asked to procure the best arrangements.

Standards and Excellence Committee

The Committee has received a large amount of performance information. This is a reflection of effective self-review and evidence of scrutiny of the data. The QIP is on target and best case success is better than last year. There are some specific issues isolated to particular areas that the Committee is aware of and the RAG rated exception reports and commentary are useful indicators to alert the Committee to potential areas of performance risk.

Audit and Risk Management Committee

There were no additional comments or concerns arising from the report presented by the Audit and Risk Management Committee Chair, K Golding.

Appointments and Governance Committee

There were no additional comments or concerns arising from the report presented by the Appointments and Governance Committee Chair, R Carter.

7.4 Annual Policy Reviews

The report was received and **considered** by members (minute book pages G543-G544).

i. Risk Management

The Risk Management Procedure is subject to an annual review by the Audit and Risk Management Committee and approval by the Corporation. Other than

updating the footer details there are no changes proposed to the current procedure. The Corporation **approved** the procedure.

ii. **Safeguarding**

The policy was subject to extensive review last year and is aligned with the Suffolk School Safeguarding Policy from Suffolk County Council. A number of guidance documents and links have been added to page 12 of the policy for reference and the details of the Child Protection governor, A Gordon-Stables, have been removed as he retires from the Corporation. Subject to meeting statutory obligations the Safeguarding Board Governor Representative, C Manning, will also take on the role of Child Protection Representative. The College Secretary will check responsibilities and notify members by email. Should a second governor representative be required K Heathcote volunteered. Subject to confirming these arrangements the Corporation **approved** the policy.

JBRidges

ii. **Health and Safety**

The term 'Faculty' has been removed from the policy to reflect the changes in management structure implemented in the year. It has been reviewed by the Health and Safety Committee and is subject to approval by the Corporation. The Corporation **approved** the procedure.

All documents were **approved** en bloc. **Proposed** by A Gordon-Stables and **seconded** by C Manning.

7.5 **Risk Management Update**

The report was received and **considered** by members (minute book pages G545-G548).

At a glance the June heat map shows an increase of one red rated risk on the register compared to the last review in March 2015. Risk 071 – Failure to achieve the Adult Skills Budget allocation leads to reduced income, is a new risk added to the register as at the time of the review (June 2015 based on May Management Accounts) a £90K shortfall against budget was forecast. The allocation is now likely to be achieved as additional work has been sub-contracted to meet the shortfall and this risk is likely to reduce as a consequence.

Over the summer it is the intention of the College Secretary to explore introducing an assessment of strategic risk appetite that would be used to measure the level of risk the College would be prepared to take when entering into strategic opportunities. The College Secretary will take up the invitation to visit West Suffolk Hospital to look at their risk assessment framework and will present a proposal to the Audit and Risk Management Committee at its first meeting in the new academic year. Members suggested that this could be topic for the Governors' Strategic Conference in January.

JBRidges

8

Governance

The report was received and **considered** by members (minute book pages G549-G553).

8.1 **Annual Calendar of Meetings**

The Corporation **approved** the schedule of meetings for the next academic year (2015/16) and noted the intended schedule of meetings for the year after (2016/17). **Proposed** by S Gerber and **seconded** by S Clarke.

8.2 **Terms of Reference and Standing Orders**

The Terms of Reference for the Resources, Audit and Risk Management and Standards and Excellence Committees were reviewed and approved by the Corporation at the meeting held in December 2014. Other than the approval date there are no changes proposed to the Standing Orders approved by the Corporation in December 2014. The relevant Committees have reviewed their terms of reference and subject to the amendment to the number of members and rules pertaining to a split vote of the Appointments, Governance and Remuneration Committees, approved under item 4 of this meeting, the Corporation **approved** the Terms of Reference and Standing Orders. **Proposed** by A Maltpress and **seconded** by K Golding.

8.3 **Good Governance Code**

The Clerk has completed an assessment of how the College applies the principles of the new Code in practice. Given that the Code is not to be seen as supporting a 'tick box' exercise it is intended to demonstrate how the College observes the 'spirit' of the Code rather than an indication of where compliance or non-compliance exists. There are a number of areas that are not applicable to the College or were not relevant at the time of completing the assessment. The Clerk will review the assessment in the new academic year in preparation of internal audit work in 2015/16. In the absence of the English Colleges' Foundation Code of Governance the Corporation chose to **adopt** the new Good Governance Code. **Proposed** by J Bloomfield and **seconded** by S Gerber. All agreed.

JBridges

8.4 **Feedback on Governors' First Hand Week**

Governors' First Hand took place over week commencing 20 April 2015 and a number of members took part in the 74 activities on offer. The word cloud provided a visual interpretation of the week with the most prominent words describing the activities as Informative, Interesting, Inspiring, Reassuring and Impressive. Governors' First Hand will feature again next year.

8.5 **External Governance Review Programme**

The Corporation has agreed to undertake an external review of board effectiveness and contract the services of a consultant to undertake the review. The proposed timeline of the Learning Board programme has been shared with members and will be tailored around governor availability with Skype and telephone interviews offered as an alternative to meeting with the consultant. A questionnaire will be released in September for members to complete and return. A Gordon-Stables, W Burrlock and N Roberts (co-opted member) will all be invited to take part in the process.

9 **Governors' Reports and Information**

9.1 **Representational Activities**

Governors have attended and represented the College at a range of events including attending the Suffolk and South Suffolk Shows, Build a Bungalow, the Degree Art and Design Annual Exhibition and Short Film and Stories shown at Cineworld. Student Governor, A Head, attended the ACER Student Conference at Letchworth and took part in informing how Colleges can prepare students for work and attended tutorials. Members also took part in Governors' First Hand and attended the annual Celebration of Achievement and Princes Trust course presentation event. A number of governors also visited MidKent College as part of the governance exchange. K Golding attended the UCS annual Meeting of Court.

9.2 Training, Development and Governor Link activities

For a number of years the College has operated a faculty link system for governors. In the past year the management structure has changed and the layer of faculty management removed. The once established governor links therefore have been disbanded and new connections need to be made. The Clerk has contacted each governor and the Director of the linked area to confirm and re-establish contact.

10 Any other business

It was noted that A Gordon-Stables retires with effect from 1 September 2015 and will be invited to attend the additional meeting of the Resources Committee in the event that it is convened prior to this date. If his advice and guidance is required post retirement, subject to availability, he will be invited to attend as an observer and advisor.

Members were invited to attend the UCS Graduation Ceremony on Saturday 26 September 2015.

The Clerk has issued each member with the self-evaluation questionnaire and register of interests. Members are asked to complete and return the forms by 31 July 2015.

Members

11 Review of meeting

Visitors from MidKent College commented that there are striking similarities between Colleges and how they operate at meetings. Both Colleges are looking forward to welcoming each other at their meetings in the new academic year.

Date of next meeting

Friday 11 December 2015 at 2.00pm. Room TG1.16

Meeting ended at 5.35pm