



**Minutes of the Meeting of the Corporation
held on Tuesday 11 December 2018**

Present: - Mr Igor Andronov (Chair)
Cllr Sebastian Bowen
Miss Amy Burgoyne
Mrs Sally Cassels
Mr James Caird
Mr Tony Ford
Mrs Laura Johnston
Mrs Debbie Lambert
Mr Jeremy Nicholls
Mr Ian Peake (Principal)

In attendance: - Mrs Jo Ricketts (Deputy Principal)
Mr Edward Gwillim (Director of Finance)
Mrs Debra Baldwin (Director of Personnel)
Mrs Linda Watkins (Clerk to the Corporation)
Mr Bill Divitt (Grant Thornton) Item 5.III which was taken first

The meeting was quorate as ten Governors were present.

		Action
1.	I. Apologies for Absence Mr Norman Moon	
	II. Chair's Remarks The Chair welcomed Jeremy Nicholls to the meeting who had been appointed to the Board at the last meeting.	
	III. Declaration of Interest No new interests declared.	
2.	I. Minutes of the Last Meeting The Chair signed the minutes of the Board Meeting held on 23 October 2018 as a true record.	
	II. Matters arising from the Last Meeting The Search and Governance Committee agreed that the Student Governor vacancy would be open to all campuses as opposed to limiting this to specific campuses which had been previous practice. The Clerk would advertise the vacancy and arrange for the Chair and Chair of S&G Committee to interview applicants.	L Watkins
	III. Notes from Governors' Workshop: Noted	
	<u>The Board agreed:</u> - <ul style="list-style-type: none">• To approve the minutes	

3. Principal's Report

- I. *Principal's Written Report:* The Principal explained that a tender exercise had been completed for the Walford farm to prepare a long term strategy which would meet student curriculum needs. Dairy Group had been appointed, funded by the TU. It is anticipated that the farm will make a profit in the future.

£1.2M funding had been secured for capital development to improve the Oswestry Campus which needed to be allocated by March 2019. Architects have been appointed so that this can be progressed within the allocated timescale.

The Principal had visited Halesowen College to meet David Williams, Principal, and previous Deputy Principal of HLC who sent his regards to everyone.

- II. *KPIs:* Deferred to next meeting
- III. *ESFA correspondence: Financial Plan 2018/20:* This had been discussed by the F&E Committee and was presented for information. This showed ESFA's 5-year financial assessment of the College using ESFA's financial indicators, which was judged as good based on 2017/18 and 2018/19, with the possibility to improve to outstanding in 2017/18. The College had prudent financial management and good cash reserves with low levels of borrowing previously and no borrowing currently. It would be important to maintain below average staff costs as the College has dispersed sites which bring some inefficiency. The performance ratio is below national average meaning cautious financial management is crucial.
- IV. *South Shropshire Schools enrolment data 2018:* This report had been updated since the last meeting to include Herefordshire and South Shropshire schools' enrolment data. 37% of Herefordshire students from 11-16 feeder schools and 31% from 11-18 feeder schools study at HLC. This is the lowest point in the downward demographic trend on school leavers. 34% of students from South Shropshire schools were recruited to HLC, the highest proportion to date, enrolled at HLC.
- V. *Student Destinations:* The Principal's PA had prepared the report. 56% of full time students and those on part time programmes exceeding 150 hours remain in education, 29% secure employment and 8% apprenticeships. The College encourages progression to higher levels. A Governor asked about progression to HE at HLC which is low; the College delivers a limited range of HE programmes. Many students who have completed FE are ready to progress to a different HE institution.

There was a question about FE funding; FE is free for learners up to 18 years on enrolment then co-funded by the learner for 19+ learners, or funded by loans.

VI. *Principal's briefing to staff: October 2018:* Noted.

The Board agreed: -

- To note the Principal's report

Decisions

4. Annual assurance reports for approval

- I. *RSM Internal Audit Services Annual Report 2017/18:* An Audit Committee member commented that RSM had given a positive audit opinion. The Audit Committee had noted significant achievement by the Director of Finance and team during the period leading up to the merger with NSC which had been extremely busy. The Audit Committee had robust discussion with the internal and external auditors.
- II. *Audit Committee's Annual Report 2017/18:* This outlined an opinion based on the adequacy and effectiveness of the Corporation's assurance arrangements, framework of governance, risk management and control processes for the effective and efficient use of resources, solvency of the institution and safeguarding its assets stating that the Governors can put reliance upon internal control systems established.

The Board agreed: -

- To approve RSM Internal Audit Service's Annual Report 2017/18
- To approve the Audit Committee's Annual Report 2017/18

5. Reports and Financial Statements for HLC and Keith St Peters Ltd for the year ended 31 July 2018 and NSC to 31 October 2018

- I. *KSP Ltd:* This ceased to trade after 31 May 2017 and was closed down at 31 July 2017. The company was dormant last year and therefore required financial statements to 31 July 2018. KSP Ltd did not trade during the year with accounts presented for approval.
- II. *HLC:* The F&E Committee had discussed financial aspects of the draft report and the Audit Committee had discussed the draft report. A revised draft was presented and outlined agreeing to approve in principle and delegate approval to the Chair as only minor amendments would be made to the narrative. In the event there were any substantial changes, these would be issued by a special resolution for approval.

The Director of Finance outlined the statement of comprehensive income and referred to Mazars' opinion that the Corporation has adequate resources to continue in operation as a going concern. The impact of the merger with NSC was included in this opinion.

- III. *NSC:* Grant Thornton presented NSC's financial Statements to 31 October 2018. These covered a 15-month accounting period for submission to ESFA by 31 January 2019 which had been agreed with ESFA. An unqualified opinion was anticipated for the financial statements and regularity audit.

EGwillim/
I Andronov

Outstanding items included signing the regularity self assessment questionnaire, additional work on employee remuneration, confirmation of the balance from the banks and income from ESFA.

Finances have been audited with only minor amendments to the narrative in the final version. It was proposed to approve in principle, which was subject to minor amendments, and delegate to the Chair. In the event that there were any substantial changes a special resolution would be used.

There were no issues of concern in the management letter. The proposed merger had been identified as a risk. Liabilities were showing as current which had transferred to HLNSC on 1 November 2018.

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The Board agreed: -

- To approve in principle HLC and Keith St Peters Ltd Annual Reports and Financial Statements subject to minor changes; these would be approved by Chair's action.
- In the event that any significant changes are required, these would be approved by special resolution.
- The Chair and Principal should sign the letter of representation.
- To thank Grant Thornton and staff at NSC who had prepared the financial statements for NSC in a short period of time.
- The Chair would sign NSC's Annual Report and Financial Statements to 31 October 2018 in January 2019.

6. Quality reports

- I. *College Self Assessment Report (SAR) and Quality Improvement Plan (QIP)*: The Deputy Principal outlined to the Governors the rigorous process to prepare the Self Assessment Report (SAR) 2017/18. The Q&S Committee and CMT had scrutinized the draft SAR with changes incorporated. Appreciation was recorded to Governors who had participated on the scrutiny panels.

The SAR provided evidence of robust quality processes, indicated the College's direction of travel and gave a summary of the judgements for the whole College based against the Common Inspection Framework (CIF):

- Overall effectiveness: good
- Leadership and management: good
- Quality of teaching, learning and assessment: good
- Personal development, behaviour and welfare: good
- Outcomes for learners: good

Governors congratulated the Deputy Principal for succinctly bringing together HLC and NSC in the SAR. The QIP was noted which the Q&S Committee would monitor throughout the year.

- II. *Single Equality Scheme (SES)*: This evidenced how the College is meeting its Equality Duty by putting procedures and training in place to discourage discrimination to individuals within the nine protected characteristics. There is a requirement to publish objectives every four years and the College publishes the SES annually on the College's website. NSC has a separate SES which will be amalgamated next year. There was a question about the student diary noting that this had been replaced with the student handbook.

A Governor enquired about recruitment and selection of staff which showed that there were a higher number of female applications who were not shortlisted asking if this showed any discrimination. The Director of Personnel responded that there was no discrimination and that this was reflected throughout the College. A sample of applications and shortlisted candidates is analysed by gender and ethnicity confirming that there is very little difference between appointments made. This would continue to be monitored.

The age profile graph showed experience of the workforce falls into the older age groups. The distribution of categories matched staff turnover. There was a suggestion to show turnover by age in the next SES.

The Board agreed: -

- To approve the SAR 2017/18
- To approve the Single Equality Scheme (SES)

7. **Governance**

The Board agreed:

- To approve the amendment to Instrument of Government 8(11)
- To approve the Corporation's Standing Orders and Terms of Reference
- To appoint Laura Johnston to the S&G Committee and Remuneration Committee, and Jeremy Nicholls to the Q&S Committee
- The Q&S Committee would discuss the option to appoint a Governor to careers guidance as recommended in Gatsby guidance

8. **Finance**

Sub-Contracting Policy 2018/19: ESFA require the Board to approve the policy annually based on its level of sub-contracted income. This had already been approved as part of the budget 2018/19 and was the same level as the previous year. The Audit Committee had discussed an independent report on sub-contracting which was a requirement of ESFA based on the level of provision. Sub-contracting provision would be subject to the College's quality review processes.

J Ricketts

The Board agreed: -

- To approve the sub-contracting policy 2018/19 for HLC
- A sub-contracting policy for North Shropshire College would be presented at the next meeting for approval
- A supply chain policy would be adopted

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Information

9. GCSE English, Maths and Functional Skills

The Deputy Principal referred to the QIP (6) specifically the 80% attendance target for English and maths. The latest reports for GCSE English attendance is 76% at both HLC and NSC, GCSE Maths 76% and 75% respectively at HLC and NSC. These are overall improvements at HLC to date compared to last year. Attendance by faculty at HLC also showed overall higher attendance. There are no similar comparisons for NSC as the system to record attendance had been changed this year and aligned with HLC.

Functional Skills attendance is 75% and 79% respectively at HLC and NSC with significantly higher attendance in Functional Skills maths, particularly in the FLBS at HLC.

Governors asked about changes implemented to improve attendance with examples provided. These include groups of similar students together, grade entries reviewed and early registers to curriculum staff including details of other groups. This supports Course Leaders and Curriculum Leaders to track individual student's attendance. Actions are taken with students who do not attend or have low attendance to English and maths compared to their main programmes. The management structure for English and maths had been changed this year.

10. Risk Register

11. Minutes from Committees

- I. Audit Committee: 3 December 2018
- II. Quality and Standards Committee: 22 November 2018
- III. Finance and Employment Committee: 28 November 2018
- IV. Search and Governance Committee: 22 November 2018

12. Management Accounts 31 October 2018

The Director of Finance reported that these were to target at this early stage in the year.

13. Annual Reports

- I. Health and Safety Report
- II. Staff Report
- III. Staff Development Report
- IV. Safeguarding and Child Protection Report
- V. Equality and Diversity Report
- VI. Risk Management Report

14. Any other business and comments

- I. Governors recorded appreciation to the staff and students who had prepared and served the lunch in the Cider Orchard Restaurant.

L Watkins

- II. A Governor raised the level of intervention by Governors at NSC previously and if a Governor presence would continue. The Governors' role is to provide strategic oversight to the executive's operational management. The Principal reported that he will be attending fortnightly meetings with managers which will bring more stability. Board meetings will be held at different sites. Governors are also invited to College events.
- III. The Search and Governance Committee proposed Liz Patrick be invited to be an Emeritus Governor which was supported.
- IV. The Chair thanked everyone for their participation and commitment to the College during the year, specifically recording appreciation to the Principal and team for their immense work during the merger with NSC, and managing both HLC and NSC, to ensure the success of our students. He wished everyone a Happy Christmas and New Year.

I Andronov

15. Date and Time of Next Meeting

Tuesday 12 February 2019: Strategy meeting 12.30 pm. It was agreed to hold the meeting at Oswestry Campus with an opportunity for a tour during the morning.

L Watkins

[Staff and Student Governors left the meeting whilst the confidential minutes were approved]

16. Minutes of the last confidential meeting

The Chair signed the confidential minutes of the Board Meeting held on 23 October 2018 as a true record.

The Board agreed: -

- To approve the confidential minutes

Signed as a true record of proceedings

Chair: **Date:**