

**HERTFORD REGIONAL COLLEGE
MINUTES OF THE MEETING OF THE CORPORATION
WEDNESDAY 12 JULY 2017**



Present: Ken Ayling
Mike Carver (Chair)
Mike Dempsey
Warren Gordon
Jo Howells
Ricky Irons
Annabel Lucas
Tony Medhurst
Linda Radford
Patsy Spears
Jan Wing (From Item 1512a until Item 1514c)

In Attendance: Jayne Chaplin (Clerk to the Corporation)
Wayne Wright (Up to Item 2.5)

Apologies: Kyle Broad
Sally Kemp
Ian Richardson
Ethan Smith

1507 Declaration of Interests and Confidential Items

Declarations of Interest were received from:

- Mike Carver in his capacity as a Director of Hertvec and CK Assessment
- Warren Gordon in his capacity as a Director of HR Cubed
- Tony Medhurst in his capacity as a Director of HRG

On the basis of the commercially sensitive nature of the matters for discussion, it was **RESOLVED** for Item 2 to be taken as a confidential Item of business.

1508 Minutes of the last Meeting

The Minutes of the Meeting held on 6 June 2017 were agreed as a correct record for signing by the Chair.

1509 Matters Arising

With all topics covered on the agenda, there were no matters arising on which to report.

1510 Chairman's Report

A report was received from the Chair of the Corporation advising members:

- Of attendance at those Company Board meetings that had taken place and referring to those reports presented elsewhere on the agenda (Item 2 refers).

- Of attendance at AoC Governors' Council Meetings and its discussions with the DfE concerning charitable status and governors' knowledge and understanding of their responsibilities.
- As part of preparations for the forthcoming year that it was proposed to have one to one conversations with members over the summer; confirming that the Clerk would liaise with members regarding arrangements.
- Of his thanks for participation in the year-end activities, recording particular appreciation to Annabel Lucas for her work with and report on her link experience with the Creative Arts directorate and encouraging those who had not yet done so to take advantage of such opportunities as and when presented. Noting feedback for further improving the co-ordination for such activities it was agreed that action would be taken in preparation for the new academic year with the Vice Principal to respond to immediate concerns.

After thanking members for their support during the year, all were wished a good summer break.

1511 Principal's Report

The Principal's Report was received providing an overview of the latest national, regional and College activities and developments.

The report was summarised and review included:

- Noting both that the report from the Hertfordshire Area Review remained unpublished and that when published it would refer to things that were no longer happening; and advising members that a number of recommendations from the area review process nationally were no longer being carried out.
- Noting and welcoming the College's National Representation on AoC Policy Groups.
- The College's performance and positioning on the recently published National Achievement Rate Tables (NART) observing that whilst the College still had ground to make up overall, at headline level its position was at least comparable with its regional competitors.
- Commending the College's achievement of a rating of Silver in the recently published Teaching Excellence Framework awards for Higher Education providers, noting its placing at the same level as the University of Hertfordshire.
- Acknowledging the appreciation expressed for the support of members at the recent year-end events reporting it to be welcomed by staff and students. Feedback was provided to encourage a more co-ordinated approach going forward that would provide opportunities for members to attend different activities rather than for all to be present at the same events; and proposing the introduction of and suggested criteria for a Governors' Award at Award Ceremonies.

After advising members of the College HE Awards scheduled for Friday 20th October 2017, the report was noted.

1512 Unconfirmed Minutes

The unconfirmed Minutes from Committees were received from:

1512a Audit Committee held on 28 June 2017

Jan Wing joined the meeting at this point.

After receiving an overview of the business considered at the meeting, the notes were reviewed and discussed. Those items requiring formal action were presented, comprising:

(i) The Internal Audit Strategy & Audit Plan 2017/18

Summarising the proposed Plan for the year, there was consideration of the areas prioritised for review and the planned allocation of activity for the year acknowledging the Committee's observations of:

- The risk based assurances, including the proposed review to assess the College's IT control framework, specifically regarding cyber security, and safeguarding, to potentially include test of the College Lock Down Procedures and, in the context of recent national events, concurring with its conclusion that these were a timely and prudent element of the Plan.
- The audit fee and the increased number of audit days and proposed timings contained within the Plan for the year, welcoming confirmation that the fee would be capped to that stated with allocation of resources with the timing of reviews to be agreed with management and to be determined according to the nature of the review.

There was discussion of the proposed Plan for the year reflecting further on the recent security incidents:

- Welcoming confirmation of the College's response including, following the Grenfell Tower fire, its review and updating of emergency and evacuation procedures and processes in response to advice and guidance issued subsequently; and noting this to be an ongoing exercise to ensure that any action remained alive to latest practice as and when issued.
- The merits of bringing forward other elements of the Plan, specifically Business Continuity and Disaster Recovery. Sharing the Committee's observation of the complimentary nature and the merits in so doing, and endorsing the suggestion both for a formal review with internal desk based exercises in advance to ensure clarity and comprehensive understanding of processes and procedures; and for separation of disaster recovery from terrorist incidents to better reflect the distinct nature of the risks and action each presented.

After consideration, and on the recommendation of the Audit Committee, it was **RESOLVED** to:

- **APPROVE** the Internal Audit Strategy and Plan for 2017/18, subject to those amendments requested.

1512b Resources Committee held on 23 June 2017

After receiving the minutes from the meeting along with a more detailed overview and discussion of the business considered, those items requiring formal review or action were presented, comprising:

i) Management Accounts (May 2017)

Reporting on the operating position at the end of May 2017, members were advised of a deficit of £349k against a profiled deficit of £92k with year to date income £350k less than budget and total expenditure £94k less than budget. An increase in sub-contracted provision was noted with the need to outsource more activity along with the incurring of extraordinary costs relating to restructures in-year. Taking this into account, it was reported that the deficit was £431k against a budget of £176k.

The main variances in Income and Expenditure and progress against the Key Performance Indicators for the period were summarised. Reviewing performance in more detail, there was note of:

- The main variance identified. It was reported that following independent assessment to ensure that the correct funding was being claimed that highlighted a potential additional £87,503 of ESFA funding and an under-claim of £227,691 for EFA learners, subsequent review by management confirmed the actual amount of under-claim for ESFA funding to be £40k with the under-claim for EFA learners remaining the subject of review. The value was recognised of the independent review to ensure College processes remained sufficiently robust to respond to the complexities of the funding regime and draw down all eligible funding and responding to questioning, it was noted that whilst not intended to be an annual event, one further such review was proposed.
- The total budget and a comparison to forecast for Higher Education (HE) provision, considering further the outturn forecast showing College enrolments to its own HND programmes addressing a substantial proportion of the shortfall against enrolments to University of Hertfordshire validated programmes and the end of the teacher training programmes delivered by the College in partnership with the University of Greenwich. Reflecting on the position with Management and noting observations concerning the extent to which the service provided represented value for money, the Corporation Chair confirmed that discussion with the University was to take place.
- The risks assessed with focus on the anticipated impact of the employer levy on Apprenticeship recruitment, reporting that any quantification of take-up was currently proving difficult to predict. Reflecting on the data outlined in the SFA Funding Summary, members were advised of the complexities in the preparation for future reporting to ensure appropriate oversight and scrutiny with work in this regard ongoing.
- The activity to achieve a balanced budget by year-end, recognising the imperative for ensuring delivery of the financial objectives to avoid any breaches of the bank covenants and the achievement of a 'good/outstanding' financial health. There was questioning of the timescales for confirming the year-end position to governors noting that work remained ongoing to secure achievement of the financial objective for the year-end.

After consideration, the report was noted.

ii) The Three Year Financial Plan & Budget 2017-18

The Draft Three- year Financial Plan was presented along with the Budget Assumptions for 2017/18.

It was reported that the Budget assumptions, key variances and Three-Year Plan had:

- Formed the basis for the setting of the College budget for 2017-18 with a trading surplus of £704k proposed and a Financial Health Rating of “Outstanding”.
- Informed the Three-Year Financial Plan, which emphasised the imperative for the College to both generate a surplus each year for reinvestment into current and new facilities for learners with the expectation of a profit generated by each Strategic business unit; and balance growth in parallel with efficiencies and cost absorption.
- Been reviewed by and discussed at the Resources Committee concurring with the observation of the need for the College to adapt to whatever funding regime was in operation by keeping a close focus on staff costs and overheads in parallel with diversifying income. It was further noted that the Committee had requested the inclusion of data on class utilisation and sizes to facilitate the monitoring of performance to better determine any further action required and inform strategic discussion of accommodation and estates requirements.

In reviewing the Plan, members were advised of subsequent developments attributed to the timing of the confirmation of the individual partnership funding allocations for 16-18 Apprenticeships that necessitated formal Board approval. With allocations remaining unconfirmed, the proposal was noted for the Chair to be given delegated authority and authorisation to provide approval via Chair’s Action for the individual partnership allocations once the overall 16-18 Apprenticeship allocation was confirmed; and for report to the Board for ratification then to be made at its next meeting.

After consideration and on the recommendation of the Resources Committee, it was **RESOLVED:**

- To **APPROVE** the Three-Year Financial Plan and proposed Budget for 2017/18; and

It was **RESOLVED:**

- To **APPROVE** the proposal for the Chair to be given delegated authority to approve the partnership allocations for 16-18 Apprenticeships once received; and to **AUTHORISE** the Chair to provide approval via Chair’s Action in advance of formal ratification by the Board at its next meeting.

iii) Fee Policy 2017/18

The Fees Policy for 2017/18 was presented.

Noted to outline the College’s approach to the setting and operation of fees associated with academic provision for the period 1 August 2017 to 31 July 2018 and prepared in-line with the Education Skills Funding Agency (ESFA) recommendations for fees, members were advised that the Policy had been reviewed and considered by the Committee.

On the recommendation of the Resources Committee, it was **RESOLVED** to

- **APPROVE** of the Fees Policy for 2017/18.

iv) Transgender Policy

The Transgender Policy was received.

Presented in-line with latest guidance, members were advised both that it was based on an Association of Colleges template and that it had been the subject of review by and discussion at the Resources Committee.

On the recommendation of the Resources Committee, it was **RESOLVED** to:

- **APPROVE** the Transgender Policy.

1513 Curriculum & Quality Briefing

A report was presented providing an overview of activity on the key curriculum and quality issues at the College.

Progress to date was summarised and reviewed. Discussion included:

- Overall attendance for 2016/17 of 80.21% in contrast with the College target of 90% across all curriculum areas noting the rate for STEM to be much lower than for the other two Directorates. After reflecting further with management on the factors likely to impact on rates, members noted the action taken and the significant planning that had taken place to ensure improvement in the new academic year.
- Retention at 92.85% welcoming confirmation that it was above the national average and represented an improvement on the previous year. Acknowledging however the need for good pass rates to ensure the desired improvement in achievement rates, those reported to be below the overall average were reviewed further noting those instances where Curriculum Area Managers had been replaced in-year.
- The projected achievement rates for 2016/17 of 86.68% overall and 84.96% and 85.02% for full-time and 16-18 learners respectively, noting these to be an improvement compared with 2015/16 and above the national average. Members were advised however that English and mathematics data had not yet been included as it was measured differently noting, as was the case with other colleges, the potential for overall rates to be reduced once English and Maths data had been added. There was review with management of the approach taken in making the predictions noting caution expressed in those for Business following in-year changes made to the syllabus.
- Applications for 2017/18. Welcoming confirmation that compared with the numbers of offers accepted in the same period in 2016/17 and despite overall applications being lower, there were more learners who had accepted, the caution expressed was noted acknowledging the need for inclusion of those learners progressing onto the second year of programmes and emphasising the importance of increasing the conversion rate from offers to acceptance.

Following review and discussion and after commending the information provided, the report was noted.

1514 Board Membership & Governance arrangements 2017/18

A report was received outlining proposals for Board Membership and governance arrangements for 2017/18, comprising:

1514a Board Membership

Following the 12 July 2017 meeting of the Search Committee, an oral report was provided.

With three vacancies following the recent departure of Harvey Young, members were advised of the Committee's discussions of recruitment and the one application presented along with its recommendations regarding the re/appointment of members.

On the recommendation of the Search Committee, it was **RESOLVED** unanimously to **APPROVE:**

- The **APPOINTMENT** of Mark Eastwood both as Corporation Business member for a four-year term of office; and with the current Committee Chair offering to relinquish the position, as a member and Chair of Audit Committee.
- The **REAPPOINTMENT** of Jan Wing as Corporation Business member for a four-year term of office.

1514b Election of the Corporation Chair & Vice-Chair

Advising members of the requirement within the Instrument and Articles of Government for members of the Corporation to appoint a Chair and Vice Chair, it was reported that both Mike Carver and Jan Wing had confirmed their willingness to continue in the roles of Chair and Vice Chair for a further year and that no other interest had been expressed.

It was **RESOLVED** unanimously to **APPROVE:**

- The **APPOINTMENT** of Mike Carver as Corporation Chair for a one-year term of office.
- The **APPOINTMENT** of Jan Wing as Corporation Vice Chair for a one-year term of office.

1514c Committees Memberships

The committee memberships proposed for the year were reviewed.

In the context of earlier report and discussion (Minute 1514a refers) it was agreed that the memberships would be updated to reflect the most recent changes and then reissued.

1514d Meeting Dates

The meeting dates proposed for the year were reviewed.

Following feedback concerning some dates in the autumn term it was agreed that the calendar would be reviewed and updated in the context of members' comments and then republished.

With the business forming Part 1 concluded, the meeting moved to the Part 2 confidential agenda at this point.

Signed (Chair)



Date: 16 October 2017