

**HERTFORD REGIONAL COLLEGE
MINUTES OF THE MEETING OF THE CORPORATION
WEDNESDAY 11 JULY 2018**



1531 Preliminary Procedural Matters

1531.1 Attendance & Apologies

Present: Ken Ayling
Mike Carver (Chair)
Mike Dempsey
Warren Gordon
Jo Howell *(via conference call until Part 2)*
Ricky Irons
Tony Medhurst
Ian Richardson *(Until Part 2: Minute 2.3.2b)*
Philomena Shaughnessy *(From Minute 1532.3.1a)*
John Sills
Charlotte Simmonds *(From Minute 1532.3.1a)*
Rina Singh
Nicky Stone *(From Minute 1532.2)*
Jan Wing

In Attendance: Jayne Chaplin (Clerk to the Corporation)
Andrew Clare *(Until Part 2, Minute 3.1)*
Wayne Wright *(Until Part 2)*

Apologies: Stephen Alexander
Mark Eastwood
Sam Pettican
John Sills

1531.2 Declaration of Interests and Confidential Items

Declarations of Interest were received from:

- Mike Carver in his capacity as a Director of CK Assessment & Training Ltd (Part 2 Agenda) and HRC Cubed.
- Warren Gordon in his capacity as a Director of HRC Cubed.
- Tony Medhurst in his capacity as a Director of HRG Ltd and CK Assessment & Training Ltd (Part 2 Agenda)

Based on the commercially sensitive nature of the matters for discussion, it was **RESOLVED** for those Items forming Part 2 of the Agenda to be taken as confidential Items of business.

1531.3 Board Membership & Governance arrangements 2018/19

A report was received outlining the proposed arrangements for the conduct of Board business for 2018/19 and presenting recommendations regarding membership appointments.

There was report of:

- 1531.3.1** The business considered by the Search & Governance Committee at its last meeting, considering its recommendations regarding:
- The appointment of Philomena Shaughnessy as Board member for a term of office of four years and as a member of the Quality, Standards & Curriculum Planning Committee.
 - Proposals for the further development of good governance practice responding to observations in and recommendations arising from Internal Audit reviews undertaken in-year of Governance and the College Quality Improvement Plan.
- 1531.3.2** The requirement within the Instrument and Articles of Government for members of the Corporation to appoint a Chair and Vice Chair, advising members that both Mike Carver and Jan Wing had confirmed their willingness to continue in the roles for a further year and that no other interest had been expressed.
- 1531.3.3** The Committee memberships for 2018/19 and the Meeting Calendar for 2018/19, noting the amendments made to the meeting dates since original publication, concerning the Resources and Audit Committees.

Following discussion, it was **RESOLVED** to:

- 1531.3.4** **APPROVE** the **APPOINTMENT** of Philomena Shaughnessy as Board Member for a term of office of four years; and as a member of the Quality, Standards & Curriculum Planning Committee
- 1531.3.5** **APPROVE** the proposals for the further development of good governance practice.
- 1531.3.6** **ELECT** Mike Carver as Corporation Chair and Jan Wing as Corporation Vice-Chair for a one-year term of office.
- 1531.3.7** **APPROVE** the Committee memberships and Meeting Calendar for 2018/19.

1531.4 Minutes of the last Meeting

The Minutes of the Meeting held on 28 March 2018 were agreed as a correct record and for the signature of the Chair to be applied.

1531.5 Matters Arising

The update accompanying the minutes was reviewed noting in particular:

Discussion with representatives from University of Hertfordshire (Minute 1525.5)

Following previous reports advising members that the matter was being revisited, members were advised that the review was ongoing, and the College would be provided with details in due course. It was confirmed that an update would be provided as soon as details were received.

1532 Items for Formal Review or Approval

1532.1 Chairman's Report

An oral report was received advising members that as part of preparations for the forthcoming year that it was proposed to have one to one conversation with members over the summer to provide the opportunity for discussions to include their role and link activities.

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

The report was noted.

1532.2 Principal's Report

Nicky Stone joined the meeting

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

The report was summarised, and discussion included:

1532.2.1 The Ofsted Inspection follow-up activities, sharing recent experience of and insights from visits to the Ofsted Good College with which the College had been partnered.

1532.2.2 The GLA and Devolution of AEB arrangements for London Learners and funding year 2019/20, advising that the College would have two AEB contracts, one general one and another for London resident adult learners although definitive information regarding arrangements was awaited.

1532.2.3 In respect of:

- Local matters, an update on the Epping Forest College merger with New City College
- Policy work and International activity outside of the Saudi operation, noting the continued work in partnership mainly with the British Council with the second of the College's Curriculum Directors participating in a Leadership Exchange with South Africa and a visit to the College of a college leader from Jordan.

Following consideration, the report was noted.

1532.3 Reports on and recommendations from Committee Meetings

Minutes of and recommendations from the recent Committee meetings were received from:

1532.3.1 Resources Committee, 22/06/18 2018

An overview was received of the business considered and those items requiring formal review or action then were presented:

1532.3.1a Management Accounts (May 2018)

The Management Accounts for the operating position at the end of May 2018 were received.

After reporting a deficit of £20k against a profiled surplus of £254k, members were advised that whilst areas of sensitivity remained, an outturn position almost in-line with budget was anticipated due to the expectation of achievement of AEB income by year end.

Reviewing the position in further detail discussion included:

- The position with the High Needs element and learners above allocation, noting report that the additional numbers now were being part funded by the local authority.
- Noting the position did not reflect gift aid donation from its subsidiary, CK Assessment and Training Limited; and welcoming report of the inclusion in the outturn forecast of a £625k return on HERTVEC.

After discussion, the report was noted.

Philomena Shaughnessy and Charlotte Simmonds joined the meeting.

1532.3.1b Sub-contracting: Update

An update was provided on the sub-contractors used by the College for the delivery of study programmes, Apprenticeships and Adult Skills along with revised contract values, reviewed by the Committee at its last meeting.

Representing the final report for the current academic year, the revised contract values were presented and reviewed with points of detail answered and clarified as necessary.

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

- **APPROVE** the revised contract values for sub-contracted provision for 2017/18 and for any further amendments to be authorised by the Chair of Resources and Finance and Chair of the Corporation Board.

1532.3.1c Bank Covenants

A report was received outlining amendments to Bank Covenants, reviewed by the Resources Committee and presented for formal approval by the Corporation.

Members were advised that when the College took out a long-term loan to partly finance the capital development at each Campus, the loan Conditions and Covenants reflected the Accounting Standards at the time. It was reported however that with the subsequent introduction of Financial Reporting Standard 102 (FRS102) preventing the testing of covenants without significant adjustment to the financial statements and potential costs from Auditors, all the major lenders had been in consultation with borrowers to amend the covenants to reflect FRS102.

Confirming that such discussions had been ongoing between the College Lloyds Bank for 12 months, the proposed changes to the covenants were summarised, which members were advised would be tested using the 31st July 2018 Financial Statements. Reflecting on the amendments, points of detail were considered, and clarification provided as necessary.

Following review and on the recommendation of the Resources Committee, it was **RESOLVED**:

- To **RECOMMEND APPROVE** amendments to the Bank Covenants.

1532.3.1d Fees Policy

The Fees Policy for 2018/19 was presented outlining the College's approach to the setting and operation of fees associated with academic provision for the period 1 August 2018 to 31 July 2019 and prepared in-line with the Education Skills Funding Agency (ESFA) recommendations

Following discussion and on the recommendation of the Resources Committee, it was **RESOLVED**:

- To **APPROVE** the Fees Policy for 2018/19.

1532.3.1e 2018/19 Budget & Financial Plan

Following review by the Resources Committee, the Budget for 2018/19 along with the Three-Year Financial Plan was presented.

Based on the previously agreed Budget assumptions, members were advised that the Financial Plan proposed a budget for 2018/19 of £192k for the College and an overall Group position of £845K, subject to any minor adjustments following discussion with auditors regarding the treatment of some areas.

Points of detail were answered, and clarification provided as necessary. Discussion with Management included:

- The Financial Health Assessment for the period, noting the expectation for the financial position to remain as "good" by July 2020.
- College income, reviewing the providers and indicative figures for sub-contracted provision; and the maximum contract values for the year.
- College expenditure observing within the Financial Plan the need identified for the College to reduce pay costs for 19/20 with a planned reduction of £350k to be implemented during the first 3 months of 2018/19 to ensure the covering of costs in 2018/19 from the saving through the year.

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

- **APPROVE** the budget for sub-contracted provision, representing the maximum contract values for the year; and to **AUTHORISE** the Corporation Chair to provide approval of any variations via Chair's Action in advance of formal ratification by the Board at its next meeting.
- **APPROVE** the Budget for 2018/19 and the College Three-Year Financial Plan.

1532.3.1f Data Protection Policy

A report was received presenting the updated College Data Protection Policy, reviewed by the Resources Committee at its last meeting.

Updated in line with the latest duties relating to the General Data Protection Regulations, the key amendments were summarised. Points of clarification were addressed.

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

- To **RECOMMEND** for the Corporation to **APPROVE** the updated Data Protection Policy, subject to the correction of minor typographical errors.

1532.3.2 Audit Committee, 06/07/18

The Minutes were received noting the business considered and those items requiring formal review or action then were presented:

1532.3.2a Audit Services 2018/19

Further to discussion at the previous meeting, on oral report was received updating members on progress in the preparations for the market testing of the Audit Services.

Members were advised that with the need to prioritise attention on other in-year business critical matters market-testing was now proposed to take place during 2018/19 with the Internal Audit Service to be undertaken as the priority.

It was **RESOLVED** to:

- **APPROVE** proposals for the market-testing of the audit services during 2018/19.

1532.3.2b Internal Audit Strategy & Audit Plan 2018/19

The Internal Audit Strategy and Audit Plan for 2018/19 were presented following review by the Audit Committee at its last meeting.

Summarising the coverage proposed within the Plan for the year, there was review of the areas prioritised within the Plan and the planned allocation of activity for the year:

- Acknowledging the focus placed on a review to provide assurance of compliance with the new General Data Protection Regulations and noting the proposed rescheduling of the Estates Management review to bring forward a review of Examinations for assurance to be provided regarding its systems and controls
- Noting the Committee's requested amendment to the Plan to include review of the timetabling and planning for apprenticeships and compliance with the English and Maths condition of funding through amended audit scope of reviews within the Plan.

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

- To **APPROVE** the Internal Audit Strategy and Plan for 2018/19.

1532.3.2c Risk Management Update

The risk management report and risk register update were received.

Acknowledging the risk profile to be reflective of the environment within which the College was operating and reviewed by the Audit Committee at its last meeting, members noted that there had been little significant change since the previous report.

The report was noted.

1532.3.3 Quality, Standards & Curriculum Planning Committee, 28/02/18

An overview was provided of the business considered at the meeting along with an oral report from the Committee Chair sharing her positive experience of her recent governor link activity and the plans considered for the autumn term.

The Minutes were considered and those items requiring formal review or action were then presented, comprising:

1532.3.3a Strategic Objectives Update (Curriculum/Quality)

The report updating members on progress in the implementation of the strategic curriculum and quality performance objectives proposed for 2017/18 was presented along with an oral update on the position since the papers were published.

After reporting an overall improved picture, members were advised that based on current performance against predictive indicators of learner success:

- Attendance at 83% represented a 2% improvement on the position for 2016/17, but it was acknowledged that improvement was required and would remain the focus of attention.
- College achievement was currently predicted to be 85.82% and 88.15% overall (including sub-contracted provision)

Points of detail were answered and clarified as necessary and after discussion, the update was noted.

1532.3.3b Ofsted: College Quality Improvement Plan (QIP)

The College QIP was presented, in its revised format.

The summary of progress to date was reviewed. Points of detail were answered and clarified as necessary and the report was noted.

1532.3.3c Enrolment Update

A report was received providing an overview of the indicative picture for 2018/19, reporting applications for 16-18-year-old learners to be down overall with a mixed picture emerging.

There was discussion of the factors attributed to those areas where a decline in numbers had been identified. Observing the potential impact of local competition from schools and neighbouring colleges there was reflection on the more aggressive marketing strategies employed, noting both the College's response via use of social media and case studies; and exploring with management the extent of any value in enhancing relationships with local agencies such as Youth Connexions.

Following review, the report was noted.

1532.3.3d 2017/18 Safeguarding Annual Report

The 2017/18 Safeguarding Annual Report was presented following review by the Quality, Standards & Curriculum Planning Committee.

An overview was provided of activity and the key developments and actions taken through the year to support the conclusion that the arrangements in place were robust.

The report was noted.

1532.3.3e Policies

Following review by the Quality Standards & Curriculum Planning Committee, the Careers Education Information Advice & Guidance (CEIAG) Policy was presented, newly introduced to ensure delivery of a shared vision of success for College students, employers and the local community with advice and guidance services and delivery considered essential in achieving strategic priorities.

On the recommendation of the Quality Standards & Curriculum Planning Committee, it was **RESOLVED** to:

- **APPROVE** the Careers Education Information Advice & Guidance (CEIAG) Policy.

1532.3.4 Employer & Community Engagement Committee, 21/03/18

After observing discussions elsewhere on the agenda (Minute 1532.3.3c refers), the minutes were presented, and an overview was received of the business considered and noted.

1533 OTHER BUSINESS, MEETING EVALUATION & DATE OF NEXT MEETING

1533.1 Any Other Business

None advised.

1533.2 Date of Next Meeting

Wednesday 17 October 2018

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

Signed:



Date: 17 October 2018

Chair of the Corporation