



1520 Preliminary Procedural Matters

1520.1 Attendance & Apologies

Present: Ken Ayling
Mike Carver (Chair)
Mike Dempsey
Mark Eastwood
Warren Gordon
Jo Howells
Ricky Irons
Tony Medhurst
Ian Richardson
John Sills
Charlotte Simmonds
Rina Singh (From Item 2.1)
Nicky Stone
Jan Wing

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

Apologies: Stephen Alexander

Welcome was extended to the new members attending their first meeting.

1520.2 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 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

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

1520.3 Membership Appointments

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

- The **APPOINTMENT** of Nicky Stone as Governor for a term of office of four years.

1520.4 Minutes of the last Meeting

The Minutes of the Meeting held on 18 October 2017 were agreed as a correct record for signing by the Chair.

1520.5 Matters Arising

The update accompanying the minutes was reviewed noting in particular:

- **Governor Links (Minute 1510)**

Confirmation that the arrangements for Governors Links for 2017/18 had been finalised and details published and circulated with activities to form the morning session of the forthcoming Corporation Conference.

- **Chair discussion with representatives from University of Hertfordshire (Minute 1515.4)**

Members were advised that a letter received had not addressed concerns raised about the financial arrangements in place and that a meeting was scheduled for January 2018 to discuss further following which a decision regarding next steps to be taken.

- **2016/17: Learner Outcomes (Minute 1518.2a)**

The dialogues with the awarding body had not yielded a satisfactory response. It was reported that the matter remained the subject of challenge with the issue of the changing of the awarding body remaining an option.

1521 Chairman's Report

An oral report was received from the Chair of the Corporation advising members:

- Of the ACER training programmes and conference opportunities available.
- Of attendance at the AoC Governors; Council meetings
- That the DfE was again reviewing the role of governors reporting that its findings would be made known in due course, which it was hoped would be the subject of discussion with the AoC before any formal publication.

The report was noted.

1522 Principal's Report

Rina Singh joined the meeting at this point.

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:

1522.1 The update on the LEP/Institutes of Technology (IoT) noting that whilst some documentation remained outstanding, further information had now been released by the DfE, which had not exactly clarified the situation.

1522.2 The mainly positive feedback from learners at the termly focus groups at Broxbourne and Ware.

1522.3 The developments with the College's Partnership activity welcoming confirmation:

- Of its successful bid for another South African partnership via the British Council, noting the theme be entrepreneurship in the Hospitality sector and extending the Board's congratulations on the award to the College Restaurant of an AA Rosette, noting the opportunities it now presented.

- That the College had received growth for AEB in relation to its work with one of its subcontractors, NGTC.

1522.4 The informal briefing on the November 2017 Support and Challenge Visit noting that the College had only just received the letter, which had been positive in nature and had confirmed its conclusions.

1522.7 Support of the decision to close the College on Friday 22 December 2017 and give staff an extra day of annual leave, similarly recognising the excellent commitment demonstrated by staff in the delivery of College objectives, ensuring a successful Support and Challenge visit and display of the Team HRC values.

Following consideration, the report was noted.

1523 Reports on and recommendations from Committee Meetings

Reports on and recommendations from the recent Committee meetings were received from:

1523.1 Quality, Standards & Curriculum Planning Committee, 06/12/17

After receiving an overview of the business considered at the meeting, the notes were reviewed and discussed. There was an oral update on the Interim Teaching & Learning Report considered by the Committee, confirming a completion rate of 93% and providing further information, explaining the significance of the effectiveness of teaching and learning in the context of the Ofsted Re-inspection.

Those items requiring formal action were then presented, comprising:

1523.1a Performance Review 2016/17: College Self-Assessment Report & Improvement Plan

The College Self-Assessment Report for 2016/17 was presented, following review by the Quality, Standards & Curriculum Planning Committee.

Identifying the key strengths and those areas that required development to ensure improved quality and success outcomes in 2017-18, noted to be broadly concerning improvements in the quality of teaching, learning and assessment and in student outcomes and feeding directly into the College's Quality Improvement Plan (QIP), the grades were summarised.

In the context of the Ofsted findings following its Inspection, triangulation of subsequent progress and the year-end results, detailed consideration was given to the proposed:

- Grade 3, Requires Improvement, for Outcomes for learners discussing the improvements in apprenticeships, including timeliness, the importance of which had been emphasised by Ofsted; and the continued improvement in achievement rates. The impact was acknowledged on the proposed grade from those areas that had performed less well however noting the changes made, the action already taken and that planned to address the issues identified.
- Grade 3, Requires Improvement, for 16 to 19 study programmes acknowledged to represent an accurate reflection with progress not as positive as anticipated but noting the changes made in those areas, the action already taken and planned to address the issues identified.

- The proposed Grade 2, Good, for overall effectiveness discussing with management the overall trajectory of positive improvement but questioning the likelihood of any potential impact on the Grade of those aspects graded 3 noting neither to be limiting factors and expressing confidence in the evidence to support such a Grade.

There was discussion of the grades of and accompanying text for the various aspects, concurring with the Committee's conclusion that it represented a prudent approach.

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

- **APPROVE** the College Self-Assessment report for 2016/17

1523.1b Higher Education Funding Council for England (HEFCE): Assurance Statement

Reporting that with three cohorts classified as Higher Education (HE) learners, the College was required to adopt the HEFCE quality assurance processes, those for 2017-18 set out in its circular letter 37/2017 were presented. Members were advised of the requirement to collect assurances from the Corporation about the quality of its higher education provision, reporting on the action required in preparing the statements that should reflect the Corporation's oversight of academic governance arrangements during the 2016-17 academic year.

In this context, members were advised of the HEFCE Annual Provider Review (APR) quality visit in November 2017 welcoming confirmation that it had been very positive with no concerns identified, reporting that it was anticipated for the second stage of the process in January to be 'light touch'.

Reviewing with management performance and the Teaching Excellence Framework statement of findings with management, confirmed was welcomed that:

- The 2016 APR statement of outcomes for 2015/16 met requirements and raised no concerns.
- The 2016/17 metrics reviewed similarly showed no cause for concern. A negative flag was noted for overall student satisfaction in the National Student Survey, but confirmation was again welcomed that that the issue had been rectified during 2016/17 with overall student satisfaction improving from 77% to 83% -1% against benchmark.

Following review and discussion and on the recommendation of the Quality, Standards & Curriculum Planning Committee, it was **RESOLVED** to:

- **APPROVE** the assurance statement about the quality of its Higher Education provision.

1523.1c 2017/18 Year to date activity: Enrolment Update

A report was received providing an overview of the position to date for 16-18 and Higher Education (HE) enrolments for 2017/18 along with an oral update on subsequent developments.

The report was summarised with members noting that:

- In-line with indications reported at the October meeting, the 16-18 learner numbers had dropped with the current enrolment and funding totals below both target. Whilst acknowledging it to be regrettable, members recognised it to be a significant improvement with numbers noted to be very similar to that recorded at the same time last year and noted that additional numbers were envisaged from both sub-contractors and in year provision delivered by the College
- HE enrolments and income had improved.
- The total number of adult full-time learners was 206 and whilst the majority was co-taught with 16-18 learners on study programmes, there was also discrete provision for those learners on Access courses. Members were advised that in addition, there would be adult learners on part-time courses funded by the Education and Skills Funding Agency (ESFA) with the majority with the College's sub-contractors. It was reported however that there were slightly less learners from the College as some adults on electrical and art and design programmes would pay their fees directly (and not draw down ESFA funding).
- Withdrawals since the beginning of term showed an improvement compared with 2016/17 but it was acknowledged that the rate remained too high with efforts continuing to reduce this further.

Following discussion, the report was noted.

1523.2 Resources Committee held on 16 October 2017

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

1523.2a Draft Financial Statements, Audit Management Letter, Regularity Self-Assessment & Letter of Representation

The College Financial Statements were presented accompanied by the Management Report, outlining the external auditors review and report on the College's financial statements and the Letter of Audit Representation and the Regularity Audit Letter.

Confirming the key financial issues for the period, reviewed by both the Resources and Audit committees, members noted that:

- The Group generated a profit before other gains and losses in the year of £234,000 (2016/17 – deficit of £1,112,000), with total comprehensive income of £20,449,000 (2015/16 - £20,899,000)
- The LGPS pension scheme recorded a significant actuarial gain of £2,248 and an overall profit for the group of £2,489k.

On the basis of the audit work undertaken, members were advised that the EAS considered that the financial statements:

- Gave a true and fair view of the state of the affairs of the College as at 31 July 2017 and of the College's income and expenditure, recognised gains and losses and cash flows for the year then ended

- Had been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education.

It was reported that an unqualified audit opinion had been anticipated by the EAS with the Management Report:

- Confirming that all the control points raised in the 2015/16 management letter had been resolved and highlighting three internal control issues for the year under review.
- Confirming that the regularity audit had been completed and that there were no observations to make.

After consideration and on the recommendation of the Resources and Audit Committees, it was **RESOLVED** to **APPROVE**:

- The Statutory Accounts and Audit Management Report for the year-ended 31 July 2017.
- The Regularity Self-Assessment and its signature by the Chair of the Corporation and Principal.
- The Letter of Representation.

1523.2b ESFA Financial Health Letter

Following its review of the College Financial Plan 2017 to 2019, the ESFA Financial Health Rating Letter was presented.

After noting its calculation for the Financial Health for the College as outstanding, members were advised of the College's recommendation to instead recognise its assessment of a good rating having only made a surplus for year for the first time in a number of years.

There was review of the recommendation concurring with the conclusion that to have more than one year of surplus before making such an assessment was the more prudent approach.

The report was noted.

1523.2c Letter from ESFA Chief Executive

Advising members that periodically, the Chief Executive of the ESFA wrote to colleges about the standards of governance and accountability in colleges in the sector, the latest letter was presented.

Intended to be useful both as the accounts for the last year were finalised and in preparation for meeting the challenges of the current year and planning for the future, the experiences of the ESFA were noted in reviewing college performance and highlights where scope for improvement existed emphasising the more effective nature of pre-emptive action rather than remedial repair.

After acknowledging the points raised there was observation of the need for those areas identified to form a part than to be the sole focus of performance monitoring and improvement.

The report was noted.

1523.2d Health & Safety Annual Report

The Health & Safety 2016/17 Annual Report was received.

Providing an overview of the arrangements, developments and activities for the year, the report was reviewed. There was discussion of the accidents and incidents data, including how defined and categorised and the proportion between the campuses, which members were advised was reflective of the curriculum at each.

After consideration, the report was noted.

1523.2e Management Accounts (Oct 2017)

The Management Accounts for the operating position at the end of October 2017 were received.

A surplus was reported of £244k against a profiled surplus of £655k with income £381k below budget and total expenditure is £30k over budget.

Members were advised that:

- Apprenticeship numbers were down accounting for the main reason for the shortfall in income confirming that detailed work was being carried out on the full year forecast and that management would receive an update on this in December.
- There were a higher level of students in Learner Support that was budgeted for reporting on continuing discussion with the council on the additional funding required to support them and noting that until agreement has been reached on the funding it had not been included in the income.

After discussion, the report was noted.

1523.3 Audit Committee, 08/12/17

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

1523a Internal Audit - Internal Audit Annual Report

The 2016/17 Annual Report of the Internal Audit Service was presented. Covering the period from 1 August 2016 to 31 July 2017, the report was noted, providing an overview of the adequacy and effectiveness of the College control frameworks to assist the Corporation in the preparation of an informed Statement of Corporate Governance and Internal Control within the College Financial Statements.

Members were advised that it was the opinion of the IAS that it was satisfied that the College had an adequate and effective framework for risk management, governance and internal control although further improvements had been identified and recommendations made to ensure that the framework of risk management, governance and internal control remained adequate and effective. There was acknowledgment of and confidence expressed in the Committee's review of and satisfaction with the observations and recommendations, including the Statement of Corporate Governance and Internal Control as presented.

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

- **APPROVE** the Internal Audit Annual Report 2016/17

1523b Audit Management Letter, Regularity Self-Assessment & Letter of Representation
See Minute 1523.2a

1523c Annual Report of the Audit Committee

The Audit Committee Annual Audit Report 2016/17 was presented summarising the activity of the Committee during the year and advising the Board on the adequacy of the operation of the internal control systems in the College.

Reviewing the report there was consideration of:

- Those items presented at the meeting relating to the 2016/17 year-end noting confirmation of amendments made to reflect those changes within the Financial Statements and Audit Management Letter advised subsequently (Minute 1523.2a). The Committee's conclusion was acknowledged that it represented a fair assessment of the state of the College's financial and internal control systems and the extent to which they could be relied upon at the time of audit.
- The proposed amendments to the Committee's Terms of Reference to reflect the Post-16 Audit Code of Practice.

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

- The Audit Committee Annual Audit Report 2016/17.
- The Committee's updated Terms of Reference.

1523d Auditor Performance & Appointment

There was report from the Committee on the performance of the auditors advising members that in respect of the:

- External Audit (Financial Statements) Service, management observations of the service provided by MacIntyre Hudson had been in the context of the length of service, originally appointed in 2007 with a desk-top review subsequently. The conclusion was noted that it was considered prudent and timely for the College to re-tender its external audit (Financial Statements) service, to be satisfied that the College continued to receive a good quality and cost-effective service.
- Internal Audit Service there had been some issues with planning, but that it was proposed to allow a further time over which to reflect further on the service provided and suggesting ultimately for the service to be retendered at a later date.

Following review and on the recommendation of the Audit Committee, it was **RESOLVED** to **APPROVE**:

- The proposal to retender for the external audit service during 2017/18.
- The proposal to retender for the Internal Audit Services within a timeframe to be determined by the Audit Committee.

1523.4 Employer & Community Engagement Committee, 22/11/17

An overview was received of the business considered and the minutes were presented and noted.

1524 OTHER BUSINESS, MEETING EVALUATION & DATE OF NEXT MEETING

1524.1 Any Other Business

1524.2 Date of Next Meeting: Friday 26 January 2018 Conference

Wednesday 28 March 2018

Wednesday 11 July 2018

Signed

A handwritten signature in black ink, appearing to be 'M. J.', written over a light grey rectangular background.

(Chair)

Date 28 March 2018