



1560 PRELIMINARY PROCEDURAL MATTERS

1560.1 Board briefing: Subcontracting - Curriculum Intent & Compliance

With the focus of the ESFA and Ofsted on sub-contracting and the need for governors to understand and be aware of the curriculum intent behind and its responsibilities for such provision, a briefing was provided. After noting the overall funding rules, compliance requirements and the College arrangements for its sub-contracted provision, questioning included:

- The Quality assurance and monitoring processes in place, noting the inclusion of observations of teaching learning & assessment, learner surveys / interviews, compliance spot checks and bespoke support linked to each individual subcontracting partners Quality Improvement Plan; along with additional site checks linked to learner safety and scrutiny of learner work.
- Ofsted readiness and review of the rationale for and overarching principles for working with each partner to ensure the delivery of curriculum that supported greater inclusion and engagement by individuals who would otherwise not be in a position to access learning through the College.

The Vice Principal Innovation & Enterprise was thanked for an interesting presentation.

1560.2 Attendance, Apologies & Welcome

Present: Vikie Bew
Mike Carver (Chair)
Mike Dempsey
Warren Gordon
Jo Howell
Tony Medhurst
John Sills
Ian Richardson
Judith Wickes (From Item 1561)
Jan Wing

In Attendance: Jayne Chaplin (Clerk to the Corporation)
Andrew Clare
Katrina Dougherty
Angela McLean

Apologies: Ricky Irons
Charlotte Simmonds

Welcome was extended to those members attending their first Board meeting.

1560.3 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.

1560.4 Minutes of the last Meeting

The Minutes of the Meeting held on 16 October 2019 were approved as a correct record and for the signature of the Chair to be applied.

With all matters covered on the agenda, there were no Matters Arising on which to report.

1560.5 Chair's Report

An oral report was received from the Chair:

- Reporting on the various meetings that had taken place with the Principal and confirming the completion of the meetings with members over the autumn term, extending appreciation for their time and support.
- Advising of the recent departure of staff governor Nathan Daeche Green and the Student Governors Trish Hawkins and Luke Taylor, confirming that recruitment for replacement members would commence in the spring term.
- Reflecting on the College achievements during 2018/19 and acknowledging and commending the hard work of the Principal and Management Team.

After extending Christmas wishes to all, the report was noted.

1561 STRATEGIC DISCUSSION

Judith Wickes & Ian Richardson joined the meeting

1561.1 Strategy & Policy: Principal's Report

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

The report was reviewed:

- Noting activity with local schools and local information suggesting the demographic up-turn in numbers anticipated in 2021 was not as secure as expected with local intelligence continuing to inform decision making. The significance of the breakthrough made with several local schools was recognised, noting oversight at senior management level to ensure direct control of future visits and the ongoing management of the emerging relationships.
- Noting the questions posed by the Progress Report from the Independent Commission on the College, agreeing that it would be useful to explore further some of those posed at the forthcoming Corporation Conference.

- Welcoming report of the activities with local employers, particularly noting the breadth of support and opportunities provided for Construction students, including their next career steps and offering to support the delivery of competitions
- Commending the grid articulating all the objectives, reporting arrangements and timescales contained in the Strategic Plan 2019 – 2022, acknowledging it to represent an immensely helpful and comprehensive reference document.

Following review and discussion, the report was noted.

1562 STATUTORY & COMPLIANCE: FOR FORMAL APPROVAL/INFORMATION

Received following review by the Committee, reports were presented from:

1562.1 Quality, Standards & Business Planning Committee, 04/12/19

After observing those items discussed elsewhere on the agenda, an overview was provided of the business considered and reports were then presented comprising:

a. The 2018/19 Self-Assessment Report (SAR)

Providing an overview of the overall quality and standard of provision, the College and Corporation SARs were considered.

After noting the revised format to reflect the new Education Inspection Framework, there was consideration of the proposed profile of grade 2 for all aspects with the exception of Grade 3 for Apprenticeships. The rationale for the grades proposed was considered reflecting on:

- The trajectory of overall improvement in achievement rates over successive years, now exceeding national average benchmarks and the expectation of continued improvement.
- The quality of education, recognising the improved performance across ten of the thirteen Subject Sector Areas and the consistency in the breadth of improvement.
- Work experience, welcoming confirmation of the improved position since the Ofsted inspection, noting that the 89% of learners going out on work experience represented a 5% increase on 2017/18.
- The areas for improvement for 2019/20 and those identified to ensure the further improvement of the quality of teaching, learning and assessment in those lessons where students made insufficiently rapid progress; the continued emphasis on Attendance, particularly the focus on the gap between vocational and English and maths lessons; and the continued monitoring of and improvement to apprenticeship achievement rates.

After noting the observations regarding and the contribution of the Corporation towards the grade for Leadership and Management and the key strengths and areas identified for improvement, there was question of Management confidence in the grades proposed in the context of:

- The deterioration reported in sub-contractor performance, noting the impact on rates of the underperformance of one sub-contractor and the focus on improvement for 2019/20, noting measures put in place to secure improvement.

- The 25% effective teaching, learning and assessment data for Engineering noting the staffing and management changes that had occurred in year. Whilst concerning a small group of learners, the position was acknowledged to be unacceptable, advising members of changes made that showed early signs of positive impact with progress to be the subject of ongoing monitoring.

Concurring with the Committee's conclusions and on its recommendation, it was **RESOLVED** to

- **APPROVE** the College 2018/19 Self-Assessment Report.
- **APPROVE** the Corporation 2018/19 Self-Assessment Report

b. Annual Reports and Policies

To ensure continuing compliance with statutory requirements and good practice, members considered:

i The Equality & Diversity Annual Report

Outlining how the College met the public sector general and specific equality duties, along with its key achievements in 2018/19 and the objectives for 2019/20.

The report contents were reviewed and on the Committee's recommendation, it was **RESOLVED** to:

- **APPROVE** the Equality & Diversity Annual Report.

ii Policies

Following review in-line with the annual cycle:

- The Careers Education Information Advice & Guidance (CEIAG) Policy was presented, outlining the College's arrangements and updated in-line with good practice to ensure students continued to obtain the skills and qualifications required to reach their chosen destination.
- The Special Educational Needs and Disability (SEND) Policy was considered. Noting it to be a new Policy outlining how the College fulfilled its statutory duties towards young people with SEN or disabilities, members reflected particularly on the role of governors and senior management team, focusing on the requirement for the nomination of a designated SEN Governor Representative and proposing for it to be the subject of further consideration in due course.

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

- **APPROVE** the updated Careers Education Information Advice & Guidance (CEIAG) Policy; and the Special Educational Needs and Disability (SEND) Policy.

1562.2 Audit Committee, 27 November 2019

An overview was provided of the business considered and reports were then presented comprising:

a. Financial year-end 31/07/19

i. Internal Audit - Internal Audit Service (IAS) Annual Report

Covering the period from 1 August 2018 to 31 July 2019, the IAS Annual Report provided an overview of the adequacy and effectiveness of the College control frameworks

The IAS opinion in the Internal Audit 2018/19 Annual Report was presented, providing confirmation that it was satisfied that the College had an adequate and effective framework for risk management, governance and internal control.

ii Financial Statements

Following review by the Audit and Resources Committees, the audited Financial Statements were received confirming the year-end financial position for the year-ended 31 July 2019. Accompanied by an explanation of the key changes from the position reported at the October meeting, the key financial issues for the period were confirmed and members reviewed:

- The Group position of a deficit of £196k for the year to July 2019, compared to a surplus of £348k for the year to July 2018, noting the movements in income and expenditure offset by the Group's share of the Associate's operating surplus.
- The LGPS pension scheme, noting the recording of an actuarial loss of £2,285k in contrast with the Surplus of £3,633k in 2018 and;
- The reduction overall in the Net Asset base of the Group, noting the decline to £34,842k compared with £37,064 in 2018.

iii Audit Management Letter, Regularity Self-Assessment & Letter of Representation

The Audit Management Pack was then considered comprising the Audit Management Report, accompanied by the Letter of Audit Representation and the Regularity Self-Assessment Letter of Representation.

Summarising the external auditors' review of and report on the College's Financial Statements, it was noted that:

- All the control points raised in the 2017/18 management letter had been resolved and one internal control issue was highlighted for the year under review, which had been accepted by Management.
- There were no observations to make following completion of the regularity audit and no instance of fraud or irregularity had been identified.

It was confirmed that on the basis of the audit work undertaken, an unqualified opinion was anticipated and that it was considered that the Financial Statements:

- Gave a true and fair view of the state of the affairs of the College as at 31 July 2019 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.

iv Education & Skills Funding Agency (ESFA) Financial Health Letter

Following its review of the College Financial Plan 2019 to 2021, the ESFA Financial Health Rating Letter was presented along with its financial dashboard noting that its financial record for 2018/19 and 2019/20 confirmed the financial health for the College to be "Good".

v The Annual Report of the Audit Committee

Summarised 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, the report provided confirmation of 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 conclusions were noted of the Annual Report of the Internal Auditor, the Audit Management Letter and unqualified audit opinion, the ESFA Financial Health Letter and the Audit Committee Annual Report. After consideration, and on the recommendation of the Audit and Resources Committees, it was **RESOLVED** to:

- **APPROVE** of the Financial Statements and Audit Management Letter for the year-ended 31 July 2019, for signature by the Chair of the Corporation and Principal.
- **APPROVE** of the Regularity Self-Assessment, for signature by the Chair of the Corporation and Principal.
- **APPROVE** the Letter of Representation.

b. Policies: Whistleblowing

To ensure compliance with statutory requirements, the College Whistleblowing Policy was presented outlining the College's arrangements for individuals to raise any concerns and how those concerns would be dealt with.

Members were advised of the Committee's observations regarding its overall format and tenor and the amendments to be incorporated to make clearer the preservation of anonymity and to clarify the investigative process and for the inclusion of named titles to ensure users knew who to contact to raise concerns.

Subject to the amendments outlined and with the revised version to be reviewed by the Committee at its next meeting, it was **RESOLVED** to:

- To **APPROVE** the Whistleblowing Policy and Procedure.

1562.3 Resources Committee, 27/11/19

After observing those items discussed elsewhere on the agenda (Minute 1662.2 refers), an overview was provided of the business considered. Reports were then presented:

a. Financial year-end 31/07/19: Financial Statements & ESFA Financial Health Letter

See Minute 1562ii-iii

b. Financial Year 2019/20

i Management Accounts

The Management Accounts were received outlining the position to 31 October 2019

Members were advised of an operating position of £75k for the core College, excluding exception items and an overall group position of a group surplus of £75k against the plan of £168k, resulting in an adverse surplus variance of £93k. The main variances were reviewed noting in particular:

- The shortfall in Apprenticeship delivery with a combined adverse income variance of £74k and lower than plan but that there were 74 enrolments to process.
- That enrolments on Higher Education provision were also significantly down on target.
- The reduction in full-time 16-18 funding due to a drop in student numbers, confirming that individual Curriculum areas were exploring ways to addressing the shortfall in numbers.

In the context of previous discussions regarding the overall impact for 2019/20, it was confirmed that options to address the shortfall will be evaluated and presented to the Board in January/February 2020 with very tight controls on pay and every vacancy being considered in the meantime.

The Management Accounts were noted.

ii Sub-Contracting

Following review by the Resources Committee and accompanied by the Subcontracting Fees and Charges Policy 2019/20, a report was presented updating members on the College Apprenticeship, AEB and Programmes of Study subcontracting activity, outlining the finalised closing position for contracts held by each subcontractor during 2018/19 and the contractual allocations and current performance in 2019/20.

In the context of and following discussion elsewhere on the agenda (Minute 1560.1 refers) the report was considered:

- Reviewing the contract values, noting these to remain in-line with those previously reported.
- Noting that following review of the College Office for Students registration for its Higher Education Subcontracting, the need was required to complete a “reportable event” process; and following further due diligence, it had been decided to proceed with a single HE partner commencing January 2020.

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

- The Subcontracting Fees and Charges Policy 2019/20.

1563 OTHER BUSINESS & DATE OF NEXT MEETING

1563.1 Any Other Business

None advised.

1563.2 Date of Next Meeting

Friday 24 January 2020, Annual Conference

Wednesday 25 March 2020, 5.00pm

Wednesday 8 July 2020, 5.00pm

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

Signed:



(Mike Carver, Chair)

Date: 8 July 2020