

CHELMSFORD COLLEGE
BOARD OF THE CORPORATION
10TH JULY 2015

Members Present:

Janice Maclean (Chair), Elaine Oddie (Vice Chair), Phil Bridge, Jonathan Swan, Susan Hughes, Marie Kemp, Sarah Noble, Michael Lager, Graham Evans, Heather Clarke, Donna Finning

In Attendance:

Caroline Williams (Deputy Principal), Debs Hurst (Assistant Principal, Finance and Risk), Mike Tadman (Assistant Principal, People and Services), Marco Iciek (Director of Curriculum and Students), John Fowl (Clerk to the Corporation), Joanne Seward (Minuting Secretary)

1045. TO RECEIVE APOLOGIES FOR ABSENCE

Apologies were received from Andy Sparks, Barbara Vohmann, Angelika Baxter and Bill Pigram.

1046. TO RECEIVE DECLARATIONS OF INTEREST AND TO NOTIFY ANY CONFIDENTIAL ITEMS

There were no declarations made and no confidential items notified other than those already on the agenda.

1047. TO APPROVE THE MINUTES OF THE MEETING HELD ON 20TH MARCH 2015

With the amendment to item 1034 to read 67% instead of 63%, the minutes were **Approved**

1048. MATTERS ARISING

There were no matters arising.

1049. TO APPOINT THE CHAIR AND VICE CHAIR OF THE BOARD FOR THE YEAR 1ST AUGUST 2015 TO 31ST JULY 2016

The Board was informed that the Search & Governance Committee had considered the appointment of Chair and Vice Chair and Elaine Oddie had confirmed her continued agreement to step up as Chair of the Board of the Corporation on the retirement of Janice Maclean.

The Search & Governance Committee had recommended that Janice Maclean continues as Chair until 31st December 2015 and for Elaine Oddie to take on the role of Chair of the Corporation from 1st January 2016. This was **unanimously supported** by the Board.

The Clerk pointed out to the Board that at that time the Board would need to consider a new Vice Chair of the Corporation.

1050. TO RECEIVE THE PRINCIPAL'S REPORT

Caroline Williams presented the Principal's report in the absence of Andy Sparks.

Members were provided with an update of the impact for further education which was contained in the recent budget announcement. There was nothing in the budget announcement that hadn't been expected by the sector.

The Board was told that the number of unique applications to the College for 2015/16 was higher than in the past year and this was also reflected in the numbers of applicants accepting offers which were 200+ more than last year.

The report set out an update on the College Recovery Plan with regards to the management restructure and the curriculum review that was underway and this was received by the Board.

Governors were informed that the Skills Funding Agency had selected the College for a funding review for 2014/15 and will take place during the autumn term 2015.

A new Ofsted Common Inspection Framework for 2015 had now been published and it was noted that this will cover all schools, early years and further education. The Board was made aware of the changes in the new Common Inspection Framework which now looks at the personal development, behaviour and welfare of students. Governors were informed that in future Ofsted will not grade individual lesson observations.

The restructuring of the College management team is underway and Governors were shown the proposed structure being put in place. A view was promulgated that any change in the title of senior postholders should be agreed by the Board and that comments raised at this meeting will be shared with the Principal on this matter. It was noted that Simon Drane had been appointed as the Director of Curriculum for Princes Road.

A number of end of year student celebration events had taken place and pictures of these were shared with members of the Board.

It was **Resolved** that the report be received.

1051. TO RECEIVE THE KEY PERFORMANCE INDICATORS (KPIs)

The KPI report was received by the Board and Governors asked a number of questions in respect of the information shown. It was emphasised that it was important that the College needed to make good use of the data and Governors wanted assurance that each of the KPIs in the report was looked at in detail by a relevant Governors committee. A number of questions were raised in respect of maths and English provision within the College and the continuing problems faced in the delivery of these subjects.

A view was shared that it was disappointing that some KPIs had remained "unchanged" as this suggested that the areas concerned were not improving as might be hoped.

It was requested that a report on performance management and its impact should be presented to the October meeting of the Board and that a more detailed report should be submitted to the Quality & Learners Committee.

It was **Resolved** that the report be received

1052. TO RECEIVE THE FINANCIAL RECOVERY PLAN UPDATE

The Financial Recovery Plan in the format required by the SFA was received by the Board and it was noted that it had been considered in more detail by the PF&GP Committee together with the action plan drawn from it.

It was **Resolved** that the Financial Recovery Plan be received

Members received a copy of the SFA Financial Return for 2014/15 and information on the budget 2015/16 was shared with the members. It was estimated that by December 2015 the College will move to a 'satisfactory' financial health grade.

It was **Resolved** that the Financial Return to the SFA be approved for signing and forwarding to the Skills Funding Agency

1053. TO RECEIVE THE MANAGEMENT ACCOUNTS, MAY 2015

The Management Accounts for May 2015 had been discussed in detail at the PF&GP Committee. The College was currently on target to achieve a break even outturn. Members noted the main variances for both income and expenditure but Debs Hurst cautioned that the high cost of staff recruitment could have an adverse impact on the final outturn position. Governors asked whether the catering training restaurant could be made more profitable than was currently the case and it was confirmed that the Senior Leadership Team was looking at this issue.

It was **Resolved** that the Management Accounts, May 2015 be received

1054. TO APPROVE THE BUDGET 2015/16

The draft budget for 2015/16 had been reviewed in detail by the PF&GP Committee which had made a recommendation to the Board that it be approved. Debs Hurst highlighted a number of points built into the budget and the assumptions used in setting it.

It was **Resolved** that the Board approves the proposed budget 2015/16

1055. TO RECEIVE AND APPROVE THE PREVENT STRATEGY AND ACTION PLAN

The Prevent Strategy is now a statutory duty on all Colleges and the College is answerable to the Home Office in respect of this. Monitoring of the application of the Prevent Strategy will be monitored as part of the Ofsted inspection. To date 200 staff have been trained by Peter Martin a specialist in Prevent Strategy and Marco Iciek confirmed that he was now qualified as a trainer and will provide training to members of the Board in the coming year.

It was **Resolved** that the Board of the Corporation approves the Prevent Strategy and associated Action Plan

1056. TO RECEIVE THE UNCONFIRMED MINUTES OF THE QUALITY & LEARNERS COMMITTEE HELD ON 19TH MAY 2015

The unconfirmed minutes of the Quality & Learners Committee were received and the resolutions noted. The focus during the year had been on maths and English and this was emphasised with the rise in numbers of students undertaking these subjects which had risen from 200 in 2009/10 to 1239 in 2014/15.

The final 'support and challenge' letter from Matt Vaughan, HMI was circulated for the information of the Governors present. Maths and English and work-based learning had been identified in the letter as key areas for the College to address and Caroline Williams provided further information for the benefit of the Board members.

The HMI visit had concentrated on observations of lecturers who were deemed inadequate by the College internal observation team and the Board was informed that three of these staff would no longer be employed by the College by September 2015. The letter set out very clearly the actions that were expected of SLT. A discussion took place on the content of the letter and the way the College was seeking to address the issues raised.

It was **Resolved** that the minutes of the Quality & Learners Committee be received

1057. TO RECEIVE THE UNCONFIRMED MINUTES OF THE AUDIT COMMITTEE HELD ON 15TH JUNE 2015

The minutes of the committee were received and the resolutions noted. The revised risk register and risk dartboard previously circulated to the committee and subsequently updated were circulated at this meeting for the benefit of all Board members. Jonathon Swan stated that the Audit Committee felt the risk register format and content had improved significantly over previous years. The Prevent Agenda is now shown in the register and maths and English was deemed to be a key risk and therefore shown as red on the risk dartboard.

Members of the Committee and College managers had interviewed a number of audit firms for the provision of an internal audit service and Baker Tilly had been recommended to the Board as internal auditors for both Chelmsford College and Essex Shared Services Ltd

It was **Resolved** that the Board approved the appointment of Baker Tilly as internal auditors for Chelmsford College and Essex Shared Services for an initial three year period with annual reviews thereafter subject to their satisfactory performance.

1058. TO RECEIVE THE UNCONFIRMED MINUTES OF THE PF&GP COMMITTEE HELD ON 23RD JUNE 2015

As part of the discussion regarding human resources the committee members felt the criteria for deciding which post should be designated as senior postholders within the Instruments and Articles of Governance needed to be made clearer and further work will be done on this by the Search & Governance Committee.

As part of the committee self-assessment process and review of the committee's terms of reference the committee had recommended a number of small changes to the Terms of Reference and also that safeguarding and Prevent Strategy should become the responsibility of the Quality & Learners Committee.

It was **Resolved** that the Board receive the minutes and that the Board approves Safeguarding and Prevent strategies being made the responsibility of the Quality & Learners Committee

1059. TO RECEIVE THE UNCONFIRMED MINUTES OF THE SEARCH & GOVERNANCE COMMITTEE HELD ON 10TH MARCH 2015

The minutes of the meeting were received in which the Board noted a discussion had taken place in respect of the succession planning for the Chair and Vice Chair of the Board of Governors.

Janice Maclean confirmed that it was her intention to stand down both as Chair and as Governor at the end of December 2015 and that Elaine Oddie would take on the role of Chair from 1st January 2016 as previously approved and notified elsewhere on this agenda.

It was **recommended** and **approved** by the Board that Barbara Vohmann should be made a full Governor at that time to fill the vacancy arising from the resignation of Janice Maclean.

The Board would continue to search for candidates to fill the three remaining vacancies existing/anticipated on the Board and it was emphasised that a greater number of employer Governors would be desirable in order to refresh the Board.

Three recommendations from the School Governors One Stop Shop had been received but unfortunately none of these had resulted in a firm application or recommendation for membership.

Sarah Hamilton had been sent the information regarding Governors and is looking to identify suitable employers who may be willing to join the Board as Governors.

It was **Resolved** that the minutes be received

1060. TO APPROVE THE PUBLIC VALUE STATEMENT

The public value statement of the College had been reviewed as requested by the Board and now includes reference to the College Mission Statement.

A number of small changes were made to the wording.

It was **Resolved** that with the changes suggested by the Governors the revised Public Value Statement be approved

1061. TO APPROVE THE DATES OF THE BOARD AND COMMITTEE MEETINGS 2015/16

The dates as circulated by the Clerk to the Corporation for 2015 were considered and Governors requested that an additional Governor Development day be added for 23rd October 2015.

It was **Resolved** that the dates for 2015/16 with the addition of the extra development day in October be approved.

The Clerk was asked to recirculate the list of dates for the benefit of all Governors.

1062. TO RECEIVE A REPORT ON THE COLLEGE CODE OF GOOD GOVERNANCE.

The Clerk presented a report mapping the recommendations contained in the College Code of Good Governance to the work of the Board of Governors.

It was noted that the new Code was to replace the Foundation Code adopted by the Board 2 years prior.

Given the 'New Freedoms and Responsibilities' conferred on FE Colleges under the 2011 Education Act the view was promulgated that the Board on the recommendation of the Search Committee should be left to decide how many terms of office a Governor should be allowed to serve and not to restrict it automatically to two 4 year terms as suggested in the Code.

It was **Resolved** that the Board adopts the Code of Good Governance for English Colleges with the caveat that the Board on the recommendation of

the Search Committee should be left to decide how many terms of office a Governor should be allowed to serve and not to restrict it automatically to two 4 year terms as suggested in the Code.

1063. ANY OTHER BUSINESS

- i) Debs Hurst explained to the Governors the position with regard to the loan agreement with Lloyds Bank and Governors were asked to approve the wording provided by the bank and for the Chair and Principal to be authorised as signatories.

It was **Resolved** that the following loan facilities for an aggregate principal sum of **up to £4,536,000** (the "**Facilities**") be arranged with Lloyds Bank plc (the "**Bank**"):

- (a) a revolving loan facility of £3,636,000 for purposes of refinancing the College's existing indebtedness to the Bank,
- (b) a working capital revolving facility of £400,000,
- (c) a standby revolving facility of £500,000 for purposes of relocation costs relating to the Hair & Beauty department,

and

that the offer of such Facilities made by the Bank in a letter dated July 2015 (the "**Facility Letter**") be accepted and that be authorised to make the necessary arrangements with the Bank and to sign on behalf of the College the Facility Letter which was produced to the meeting and its terms and conditions approved.

It was noted that as a condition of the Facilities the Bank requires certain security documents to be effected, it was therefore **resolved further** that in support of the liabilities of the College to the Bank howsoever arising the College give to the Bank a first legal charge over its freehold property known as Beacon House and that Andy Sparks and John Fowl are hereby authorised to witness the affixing of the College's seal and to deliver as a deed the charge form, a copy of which was produced to the meeting and its terms and conditions approved.

Resolved further in respect of the operation of the Facility that:

- (a) **any one of** ...Andy Sparks and Deborah Hurst are* hereby authorised on behalf of the College to give telephone instructions to the Bank for the purpose of (i) selecting interest bases or (ii) selecting certain interest periods, that are to apply from time to time to an amount outstanding under the Facilities;
- (b) **any one of**...Andy Sparks and Deborah Hurst are hereby authorised on behalf of the College:

(8)

- (i) to give all written instructions to the Bank in respect of the drawdown and continuance of the Facilities; and
 - (ii) to give written confirmation of all instructions that are not given to the Bank in writing.
- (c) **any two of the Governors** are hereby authorised on behalf of the College to appoint in writing additional authorised officials of the College for the purposes of Resolutions (a) and/or (b) above and that, on receipt of a certified copy of such appointment (together with a copy of their specimen signatures), the Bank be authorised to act on the instructions of such additional authorised officials;
- (d) the Bank be furnished with a list of the names of the Governors, Secretary and other Officers of the College and that the Bank be authorised to act on any information given by any member of the Governors or the Secretary as to any changes therein; and
- (e) the foregoing Resolutions do not in any way prejudice or affect the instructions to the Bank contained in Resolutions of the Governors constituting the bank mandate of the College.

We certify that this is a true copy of Resolutions which have been duly entered in the Minute Book and that such Resolutions were duly passed in accordance with the constitutive documents of the College. **We further certify** that the passing of these Resolutions and the completion of the transactions thereby contemplated do not, and when completed will not, contravene any provision of the constitutive documents of the College or of any loan agreement, trust deed, bond, mortgage, charge, contract or other instrument binding upon the College or the Governors

ii) Clerks Job Description

Members were provided with the Clerk's job description as it currently stands which had recently been updated with the recommendations of the internal audit service being included.

It was noted that the current Clerk would be leaving the College at the end of December 2015 and that the Board was seeking to advertise for a replacement at the end of August 2015. Members were asked to review the job description and to advise either the Chair or the Clerk of any changes/ additional items that needed to be included.

(At this point all staff were asked to withdraw from the meeting so that Governors could consider the Part 2 agenda item.)

1064. DATE OF THE NEXT MEETING

The next meeting will be held on Friday 2nd October 2015

Signed _____ Date _____
(Chair)

