

**CHELMSFORD COLLEGE
BOARD OF THE CORPORATION
29 March 2019**

Minutes of a Meeting of the Board of the Corporation held at the Committee Room, Moulsham Street Campus, Chelmsford on Friday 29 March 2019 at 2.00 pm.

PRESENT: Elaine Oddie (Chair)
Andy Sparks (Principal)
Jenny Beaumont
Stuart Hodges
Janet Maynard
Christian Norman
Seena Shah
Barbara Vohmann
Doug Zeeman

IN ATTENDANCE: Caroline Williams (Deputy Principal)
Debs Hurst (Vice Principal, Finance & Corporate Resources)
Steve Hope (Head of Health & Safety) (item 1321 only)
Annella Hall (Estates & Facilities Manager – item 1321 only)
Rob Millea (Clerk to the Corporation)
Joanne Harrington (Assistant Clerk)

1316. APOLOGIES FOR ABSENCE

Apologies for Absence were received from Sarah Noble, Amanda Montague, Ryley Shrimpton and Susan Hughes.

1317. DECLARATIONS OF INTEREST AND NOTIFY ANY CONFIDENTIAL ITEMS

The Clerk to the Corporation renewed his declaration that he acts as Clerk to South Essex College and Company Secretary of Essex Shared Services Limited. He also notified the Board that his wife's cousin is the Clerk at Writtle University College.

Barbara Vohmann renewed her declaration as an employee of Anglia Ruskin University and her involvement with links between ARU and Writtle University College.

The Vice Principal, Finance & Corporate Resources renewed her declaration as a Member Representative on the Essex LGPS Advisory Board.

The Principal renewed his declaration as a director of ACER.

The Chair and the Principal renewed their declarations as Directors of Essex Shared Services Limited.

Christian Norman declared an interest in that he is now being employed by New City College, London on a short term contract until 31 July 2019.

The following **confidential** item was notified: Agenda Item 15 – Writtle Collaboration update – Minute **1331**.

1318. URGENT BUSINESS

There was one item of Urgent Business, which was deemed to be Confidential and a separate minute has been prepared and is attached to these Minutes.

1319. MINUTES OF THE MEETINGS HELD ON 7 DECEMBER 2018 AND 1 FEBRUARY 2019

The Minutes of the Meeting held on 7 December 2018 and the Special Meeting held on 1 February 2019 were **APPROVED** and **SIGNED** by the Chair.

1320. MATTERS ARISING

The Clerk tabled a paper tracking actions arising from the last minutes, which was **NOTED**.

Sale of Beacon House

The sale of Beacon House was completed yesterday. The Board expressed their thanks to Debs Hurst for managing this sale, noting that it had its difficulties.

Ofsted pilot inspection preparation

The Principal **REPORTED** that good progress is being made in preparation for the pilot inspection, which will be led by Rebecca Perry HMI, who has visited the College for a planning meeting. Further details of the inspection process have been discussed and the details of the inspection team have been disclosed.

There is further information in Minute **1322** below.

1321. PRESENTATION

This was dealt with as the first item on the Agenda.

The Board **RECEIVED** a Presentation from Steve Hope and Annella Hall on, respectively, Health & Safety matters and Estates matters.

Steve Hope (Health & Safety)

Key points noted by Steve:

- Service Level Agreement agreed with ESS
- IAuditor system is fully in place
- Better security and fire services in place
- Inspection Plans are being followed and CAMs supported to achieve a final conclusion
- Insurance inspection report findings included in the audit programme to ensure legislative compliance
- Accident and Incident Data – curves going in right direction – same experience at each Campus – but there is need to improve the process of accident reporting so that incidents can be investigated thoroughly and improvement made, where needed

The level of incidents is below average compared to other Colleges at 79 versus 93.

There were no RIDDOR Reports – national benchmark is set at 2 reports but need to bear in mind the differences in size of the Colleges throughout the country

With regard to First Aid, there are now more trained first aiders with thirteen staff on rota each day for each campus. First aid trained staff get £100 increment for this training.

In answer to a governor question, Steve Hope said that first aid training is outsourced but also there is some blended learning for staff.

There were no issues arising as a result of fire audits undertaken this year.

Steve said that EVOLVE – educational visit approval system – has been fully implemented and being adhered to by staff and management. No visits take place without approval.

Steve Hope indicated that he would like to implement an on line accident reporting system (used at SEC) and intends to present this as a possible way forward together with other options. It could include a snapshot photo recording of accidents as a simple way of instant recording along with laptops in all first aid rooms to record details immediately. It can have a huge impact and enable cost analysis through clear dashboard data. He will present the system to SMT for consideration.

In answer to a question from the Chair, Steve said that support from governors would be welcome in developing a more efficient reporting system incorporating improvements to take advantage of technology. He confirmed that breaches of the reporting system would be communicated to governors.

Annella Hall (Estates & Facilities)

Annella gave a brief overview of estates and facilities position in the College across its two Campuses.

Emergency works explained resulting from bad weather which are covered by insurance.

She reported on the completion of relocation of Hair & Beauty to Princes Road. There remains some remedial works to be completed on the reception flooring and the toilets.

There has been an improvement of signage at Princes Road and this will be done at Moulsham Street also emphasising consistency.

The new reception area at Princes Road is to be commenced soon – construction May to August.

There has been work on trees and shrubs at Princes Road to improve the site.

The upgrade to the Nursery will also be proceeded with involving a new outdoor classroom for pre/after school Club at the rear of the Moulsham street Campus.

Regarding the High Needs Building (jointly funded with Essex County Council), the tender has been awarded to Cadmans. The build will start in late July and be operational in January 2020. It will be constructed on the side car park at Moulsham Street.

Annella discussed the medium and long term priorities 2020/21 stressing that progress will depend on funding. These include Rubb Tents, car park resurfacing and reconfiguration, upgrading of toilet facilities, etc.

A governor asked about providing more student seating. The Vice Principal, Finance & Corporate Services responded that this is being considered at both Campuses. Improvements are being considered in the Learning Resource Centre and in extending the Refectory area. There are a lot of possibilities but funding is a key issue.

It was confirmed that a lot of the trees at Moulsham Street have Tree preservation Orders. None are afflicted by ash die back.

Steve and Annella were **THANKED** for their presentations.

1322. PRINCIPAL'S REPORT

The Principal presented a written Report for the information of governors.

Overview

Thus far, the year has been positive although there remains recruitment difficulties in some areas and overall, the use of Agency staff has reduced.

The local MP, Vicky Ford visited the College on 1 March 2019 for a catch up and to meet students studying Science.

The College's critical incident response alarm and associated procedures has been successfully tested with students at Moulsham Street and is scheduled for Princes Road.

Police drug testing has taken place at Princes Road and is planned for Moulsham Street. A knife arch has been offered by the Police and this will be organised for September 2019.

Planning for Princes Road Phase 2 redevelopment is underway.

Pilot Ofsted Inspection

The Principal provided an update:

- Will take place sometime after Easter
- The College Executive Group has met with the Lead Inspector
- No stakeholders or governors are required during the visit
- The Lead Inspector will speak to the Chair by phone and with two employers

- The process will begin with a longer Principal's presentation of 25 minutes
- Will look at three selected curriculum areas on intent and then test their impressions
- There will be lesson observations, measuring progress and talking to students to ascertain the student experience and its impact
- There will be electronic Meetings with the nominee – there will not be a nominee Meeting face to face at the end of each day
- On the final day, there will be a group discussion
- No Report will be issued but an indication of findings will be given
- The Inspection team will include two National leads

Writtle University College Partnership

This is covered in confidential Minutes.

Enrolment

Retention is strong at 93%. Curriculum planning for 2019/20 is underway and showcase events are being held, with applications at this early stage promising.

Finance

Finance matters highlighted by the Principal are covered in Minutes **1325.1** and **1325.4** – Management Accounts and Learner Numbers and Financial Implications.

Staffing

This is covered in Minute **1326**.

Curriculum Issues and Quality Improvement

- The new Ofsted Inspection Framework has been published
- Staff are studying the handbook to increase their understanding of what will be required during the pilot inspection
- A light touch mid-year SAR has been carried out against the new criteria. The main development identified is 'intent' within 'Quality of Education'.
- Staff are working on their Supported Experiments and these will be monitored for the rest of this academic year through Performance Review Boards.
- College Improvement Plan progress against the seven College priorities was reviewed by Quality & Learners Committee on 26 February 2019.

1323. SUB-CONTRACTING ARRANGEMENTS 2018-19

The Board **APPROVED** by email a proposal to enter into a sub-contracting arrangement with Qube Learning, a national training provider, for the rest of this academic year (value £70K), following the completion of suitable due diligence.

This work is now virtually finished and has been satisfactory as evidenced by site visits.

A governor asked whether any future plans for further Gateway qualifications and this is under review. Alison Davies sits on the Gateway Board so options may arise, possibly by targeting staff in schools for short qualifications.

The Principal confirmed that it is not intended to use sub-contracting further this year.

1324. COLLEGE IMPROVEMENT PLAN 2018-19

The Board **RECEIVED** a copy of CIP Monitoring document, last reviewed by management on 18 March 2019 and by Quality & Learners Committee on 26 February 2019.

The Deputy Principal said that good progress is being made against all seven College priorities. In particular, she highlighted that priorities 3, 5, 6 and 7 remain a focus for the College because, although progress is assessed as good, there is still a risk that the progress made will not have sufficient impact on outcomes for learners. Therefore, these priorities are rated AMBER.

A governor asked about CPD for non-full time teachers (about 30% of total workforce) and the Deputy Principal said it is quite difficult to organise because those teachers are not continually in College. However, best efforts are made to engage with part timers with CPD opportunities being offered in other ways (on line, one to one engagement etc).

An audit has been carried out by Scrutton Bland on English & maths and the verbal feedback has been very positive. The final Report will be considered by the Audit Committee on 25 June 2019.

The Deputy Principal expressed concerns over Apprenticeships – it is very sparse in recruitment and there is a focus on getting Apprentices to achieve as quickly as they can.

The Report was **NOTED**.

1325. FINANCE REPORT

1325.1 Management Accounts for the seven months ended 28 February 2019

The Vice Principal, Finance & Risk presented the Management Accounts for the seven month period ended 28 February 2019 for discussion and comment by the Board. These accounts have been reviewed by the two designated Finance Governors (Elaine Oddie and Amanda Montague).

For the year to date, the College is showing an operating surplus of £199K against an original budgeted surplus for the period of £190K, a favourable variance of £9K.

Total income amounted to £9.494 million and total expenditure amounted to £9.295 million. Income is £214K below budget due to lower achievement in AEB and Apprenticeship income to date this year. Meanwhile, expenditure is £205K better than budgeted.

The Accounts were accompanied by a Detailed Commentary explaining the variances from budget. These management accounts do not take into account any adjustments which will result from including FRS102 pension adjustments.

The Contribution Statement by Cost Centre was provided to members – this is on a direct cost basis only with no allocation of overheads.

The Financial Health table with detailed calculations of the scoring on the ESFA methodology was provided to members.

Governors **NOTED** the result to date and the risks to achieving the break even position for the year, particularly from the level of Apprenticeship income. This is discussed further in minute **1325.2** below.

At 28 February 2019, group net assets stood at £15.5 million, including cash of £0.5 million and revalued fixed assets of £32.5 million.

The College's Financial Health for 2018/19 to date, based on the SFA's new methodology, is Satisfactory (140 points) but is expected to rise to 'strong' Satisfactory by 31 July 2019, following the sale of Beacon House and paying down debt. Debs Hurst estimated that the scoring should be around 160 points next month.

The Sale of Beacon House has been completed (yesterday) at £2.9 million inclusive of Capital Goods Scheme VAT of £74k received from the purchaser which will have to be paid over to HMRC in a couple of months. Professional costs amounted to £48K.

Cash flow has been positive for the year and the revolving credit facility will not be necessary.

The current ratio stands at 0.34. Pay expenditure as a percentage of income is 62% against target of 63%. Borrowing as a percentage of income is 42% within ESFA tolerances.

All bank covenants are being met.

The Board **APPROVED** the Management Accounts for the seven month period to 28 February 2019.

1325.2 Financial Forecast to 31 July 2019

Debs Hurst **PRESENTED** the Board with a draft forecast of the outturn for the College against Budget for 2018/19.

At present, it is showing a forecast surplus for the year of £57K, subject to the current reforecast being carried out, against the original budget for the year of a surplus of £200K.

This reforecast is still in progress but the target is still to break even or achieve a small surplus at the operating level of around £20K, excluding Beacon House book profit of £350K, for the year. This excludes any pension adjustments.

The key risks which the College faces in achieving the reforecast are the Adult Education Budget, Apprenticeship income and keeping agency costs for hard to recruit areas as low as possible. Accordingly, savings are continuing to have to be found to offset the shortfall on Apprenticeships.

The in year business case for additional funding was successful with the ESFA and further income of £181K has been received.

The Board **NOTED** the indicative Financial Forecast for the year ended 31 July 2019.

1325.3 Apprenticeships Update

The current forecast is that apprenticeship income should outturn at a similar level to last year (£1,030K) but lower than budget of £1,267K. Thus far this year, the College enrolments are down by 27.

The Paper explained the reasons for the reduction – it is hoped the fee required to be paid by non-levy paying employers reducing from 10% to 5% might help in getting more enrolments in the future.

1325.4 Learner Numbers and Funding for 2019/20

The College recruited an increased number (73) full-time **16-18 students** this year compared to last year.

This means that the College allocation for 2019/20 will increase by around £545K over this year and £363K higher than the post business case allocation.

Recruitment of **19+ students** is behind target (AEB) and efforts are underway by Senior Management to ensure this funding line is maximised. That is the current expectation. It is acknowledged that this is a risk and is so shown in the Risk Register.

Apprenticeships recruitment is a little down at this stage this year and there is reasonable confidence the budgeted income can be achieved (see **1325.3** above).

In response to a governor question, the Deputy Principal said the trends next year in enrolments gleaned from Open Evenings and applications to date are not much different from this year but there might be a rise in technical engineering.

The Report was **NOTED**.

1325.5 In-year Funding Application

See **1325.2** above.

1325.6 Pension Contributions

The VP, Finance and Corporate Services provided an update regarding the proposed increase in pension contributions. Contribution rates will rise by 7pp to almost 24% and the DfE is proposing to pay a grant to Colleges during the year ended 31 July 2020, which will be on this basis

- It will cover 11 months
- The calculation will be on the basis of actual 2017-18 spending with an allowance for inflation

There is no likelihood of any contributions to cover this significant increase beyond 31 July 2020 and the extra cost will have to be factored into the Financial Forecast for 2020/21.

The Board **NOTED** the position and the likely future effect.

1325.7 Financing Arrangements

This was deemed to be a Confidential Item under the Instrument & Articles and a separate minute has been prepared which is attached to these minutes.

1325.8 Capital Expenditure 2019/20

The Board **RECEIVED** a schedule of proposed capital works for the academic year 2019/20, with explanations of intended work:

- | | |
|--------------------------------------|-------|
| • Repayment of Lloyds loan | £304K |
| • Princes Road development carryover | 200K |
| • High Needs Building | 508K |
| • Nursery classroom/outdoor area | 123K |
| • IT replacement fund | 250K |
| • Dovedale sports centre | 68K |
| • IT replacement fund | 250K |

The High Needs Building will be partly funded by Essex County Council as to £345K and will constitute a new facility for up to 12 students, to be built in the rear car park of the College. It is an income generator.

The work on the Nursery is similarly an income generator for the College.

50% of the cost of the sports centre works will be funded by Chelmsford City Council.

IT replacement may be a combination of purchase and leasing but the latter is a full revenue expense.

There remains approximately £112K available to prioritise for other capex in 2019/20 and a wish list has been compiled from department requests.

The Board noted the likely cash flow implications of funding these capex options.

In response to a governor question, Debs Hurst confirmed that the High Needs Building funding from ECC only comes once the College has made its contribution.

After due consideration, the Board **APPROVED** the Capex Programme noted above for 2019/20.

1326. HUMAN RESOURCES REPORT

The Board **RECEIVED** a Report from the Vice Principal, Finance & Corporate Services on Human Resources matters.

The key points were:

- **Turnover** to date for this academic year annualised is 21.7% against 27% to this date last year and a target for the year of 17%. Last year's rate was 14.8%.
- Staff recruitment activity continues to be high and staff have been recruited to 33 posts this year.
- The College still struggles to appoint to posts within Construction/Engineering and Electrical.
- Sickness **absence** has improved in the 12 months to end February 2019 at an average of 6.8 days, compared to 7.48 days per person in the same period last year. The target for the year is 5.8 days per person per annum and last year's actual was 8.31 days. The current AoC benchmark is 5.2 days in the Eastern Region

Staff turnover is higher than hoped in some academic areas but recruitment is quite positive except in some hard to recruit areas.

The Paper informed governors as to a variety of mechanisms being employed to recruit staff and are proving to be quite effective.

The Board were informed that a bid to the ETF, Taking Teaching Further Fund has been prepared for £50K over two years to encourage professionals from industry into teaching.

A number of Mental Health and Wellbeing initiatives have been introduced recently for staff and also, the College has implemented the Bradford Index to track regular absences of staff (short term and long term) and help examine reasons why.

A governor asked if Stress Resilience Training is being provided for staff replicating issues being experienced by students. Debs Hurst said that it is not yet being delivered but it is planned in the near future.

A governor asked if there is a benchmark in other Colleges in the area and resource issues in providing this training. The Principal will raise this at the next AoC Eastern Region meeting.

Debs Hurst provided an update on outstanding staff grievances and appeals.

Pay Award 2018/19

The College has not been able to award a pay rise this January but the College has considered incremental pay progression.

A total of 63 staff will receive progression and UCU were very pleased to hear of the number of staff who will benefit.

The progression will apply from 1 April 2019 and the cost will be £25K this year and £75K in the full 2019/20 academic year.

Increases in National Minimum Wage and National Living Wage have been implemented with effect from 1 April 2019. From 6 April 2019, increases in Statutory Sick Pay and Maternity Pay have been implemented. The Board were also informed of increases in maximum pay for redundancy purpose and increase in maximum basic tribunal awards.

Gender Pay Gap Report

The Board **RECEIVED** this Report, noting it must be published by 30 March 2019 and is based on data as at 31 March 2018.

The Report noted the key elements of the Gender Pay Gap. The mean gap for the College is 18% (last year 17.2%) and the median gap is 30% (last year 30%).

The percentages have not moved significantly from last year – the gender pay gap for the whole economy is median 17.9% and mean 17.1% with the figures for the education sector being median 25.9% and mean 17.3%.

The Report reiterated the fact that the College gender pay gap does not arise from unequal pay between men and women for the same work but is a result of the roles which men and women work within the organisation and the salaries attached to those roles. It is clear nationally that men are more likely than women to be in the 2 top quartiles whilst women are more likely than men to be in the lower end of the organisation.

The Board noted that not having equality of pay is unlawful whereas a gender pay gap is not.

The Board **AGREED** that a session would be organised at the next Board Development Day on Gender Pay, Performance Management, Work/Life balance and Succession Planning, with contributions from Bev Mahoney and Stuart Hodges.

The Board **RECEIVED** the Report and **AUTHORISED** its submission to the Government.

1327. KEY PERFORMANCE INDICATORS

The Board **RECEIVED** a detailed paper itemising KPIs for the College and current progress and performance, with commentary.

The items RAG rated as RED (behind target) are funding value for Apprenticeships, students making progress on or above their TAG and attendance at Maths & English.

Governors noted the issues regarding Apprenticeships and the Adult Education Budget discussed elsewhere in this Meeting and that they are now classified as RED risks on the Risk Register. There is a risk of allocated income targets not being met. This is being closely monitored.

A governor asked if the College was investigating provision of High Level Apprenticeships as a growth area and this is under consideration for the future.

Further efforts are being made to maximise these funding lines and Management have some confidence the targets can be met.

Students' progress against TAG, although below year target, is reasonable for this time of the year (62% against target of 75%). Meeting target might not be achieved but it will rise further.

A governor asked about the performance of Ethnic Caribbean students. The Deputy Principal observed that they are mainly male students and their performance has improved from last year and against target (93% to date against 83% target).

As the Board have noted in the past, attendance at English & Maths remains a challenge and continues to be a RED risk. Attendance to date this year for English is 77% (target 85%) and Maths 76% (target 83%). It was recognised that the targets are stretching.

Issues relating to staff absence and staff turnover to date for the year being ahead of target (AMBER rated) are discussed under the Human Resources Report earlier on this Agenda.

The Report was **RECEIVED**.

1328. RISK REGISTER AND DARTBOARD

The Vice Principal, Finance & Risk provided the updated Risk Register and Dartboard as at March 2019.

The VP, Finance & Risk pointed out that the current risk status on the Register is that there are 28 key risks noted, made up of 1 RED risks, 18 AMBER risks and 9 GREEN risks.

The RED risk relates to Attendance at Maths & English. An internal audit on this area is currently being carried out. It is felt that the risk will reduce as a result of this audit.

The Board **NOTED** the Report.

1329. MINUTES OF COMMITTEE MEETINGS

The Board **RECEIVED** and **REVIEWED** a copy of the unapproved Minutes of the Quality & Learners Committee of 26 February 2019, which has taken place since the last ordinary Board Meeting on 7 December 2018.

The Board also **RECEIVED** a Report on the Board Development Day held on 1 February 2019.

1330. GOVERNANCE MATTERS

The Clerk **REPORTED** on current Governance Matters for consideration by the Board.

Governors' Development Day 1/2/19

The Clerk provided a summary of the evaluation forms completed by governors following the GDD – the overall grade was 1.85, where very good is 1 and good is 2. The average of the detailed ratings for each question asked was 1.71.

The Clerk also provided a summary of textual comments made by Members. These points will be developed in the future.

Search & Governance Update

The Clerk provided an update on Board matters.

A possible new governor has been identified and he has applied to become a governor. The Search Committee will interview him on 4 April 2019 at 3.30pm. His expertise is primarily in the financial area.

The Board **NOTED** that Steve Houghton resigned as a governor on 31 January 2019.

At the special Board Meeting on 1 February 2019, Susan Hughes was granted leave of absence for the rest of this academic year

Currently, there are three vacancies on the Corporation for independent governors.

Clerking Arrangements 2019/20

The Clerk has agreed to continue as Clerk to the College and as Company Secretary of Essex Shared Services Limited for at least one further academic year till 31 July 2020. A contract Between ESS and the Clerk will be signed in the summer, to apply from 1 August 2019.

Meeting Schedule 2019/20

The Clerk **TABLED** a proposed Meeting Schedule for 2019/20 and this was **AGREED**, subject to altering the date of the Board Development Day in early 2020 to 7 February instead of 31 January.

1332. ANY OTHER BUSINESS

Doug Zeeman volunteered to be the Link Governor to Careers and this was unanimously **AGREED** with thanks.

It was **AGREED** that Doug Zeeman would act as Safeguarding Governor during Susan Hughes' leave of absence.

Jenny Beaumont attended a London & South East Governors Conference recently.

The Clerk attended an AoC Governance Conference yesterday in London and the slides from the various presentations will be distributed to governors via the portal as soon as they are available.

There were no other items of AOB.

1333. DATE OF NEXT MEETINGS

Tuesday 25 June 2019 at 2.30 pm (Budget Working Party, to which all governors invited).

Thursday 4 July 2019 at 2.00 pm (Board Meeting)

There being no further business, the Meeting terminated at 5.40 pm.

Signed.....Dated.....