

**CHELMSFORD COLLEGE
BOARD OF THE CORPORATION
7 December 2017**

Minutes of a Meeting of the Board of the Corporation held at the Committee Room, Moulsham Street Campus, Chelmsford on Thursday 7 December 2017 at 2.00 pm.

PRESENT: Elaine Oddie (Chair)
Andy Sparks (Principal)
Stuart Hodges
Susan Hughes
Michael Lager (Vice Chair)
Janet Maynard
Amanda Montague
Sarah Noble (Vice Chair)
Barbara Vohmann
Doug Zeeman

IN ATTENDANCE: Caroline Williams (Deputy Principal)
Mike Tadman (Assistant Principal, People & Services)
Debs Hurst (Assistant Principal, Finance & Risk)
Jacob Maloney (Student Observer)
Rob Millea (Clerk to the Corporation)
Joanne Harrington (Assistant Clerk)

1215. PRESENTATION: COLLABORATIVE PARTNERSHIP WITH WRITTLE UNIVERSITY COLLEGE

The Principal introduced Andrew Thomson, from ACER, who has been charged with working up possible areas of collaboration and partnership with Writtle University College, as was recommended in the Essex Colleges' Area Review.

To this end, the College applied for and received £50,000 funding from the DfE to finance a collaboration study, which has to be completed by 20 March 2018, the expiry date for use of this funding. He reminded Members that the outcome of the study should be a 'could' outcome not a 'should' outcome.

In particular, the study is looking at soft collaboration with Writtle, not a federation or a merger (governor question). He further stated that, in response to the governor that the College needs clarity on what form that should take.

Andrew has undertaken a number of discussions with managers at both the College and at Writtle. No firm proposals have yet emerged.

The final Report will advise the Board on what it should do and how to go about doing that with specific recommendations. It will look at the longer term – five years – and will focus on educating the market and be in the long term interest of students and employers. It must drive Qualifications and Quality Improvement and use innovative IT technology.

He reported that ideas from staff at the College and Writtle so far included cooperative CPD, Quality Improvement, Facilities Sharing (IT, MIS, Human Resources, Nursery), Work Experience, Student Opportunities.

Governor Questions

A governor asked for more explanation about social investment bonds and how that might work. Andrew said that there was some traction in investing in this area (and some EU funding) in order to reduce the occurrence of such issues and provide benefit to the future well-being of communities.

A governor asked about the timescale and Andrew stated that the Report from him is due by 20 March 2018 and, alongside development of the Report, conversations with the two Principals will continue.

Does it make sense? Andrew felt that collaboration did make sense as part of the College's vision for the future of education in mid-Essex but it is quite introductory at this stage. The governor then said that we want to see the ideas take some substance and result in definitive proposals.

Another governor said that too much reflection and contemplation leads to little action which is often an inherent public sector weakness. It is crucial that action needs to result from ideas.

Andrew Thomson was **THANKED** for his presentation.

ACTION:AT/PRINCIPAL

1216. APOLOGIES FOR ABSENCE AND WELCOME TO OBSERVER

Apologies for Absence were received from Steve Houghton, who is on leave of absence, from Seena Shah and Jack Pendleton (Student Governor).

The Chair welcomed Jacob Maloney, Student Observer (Level 3 Beauty Therapy student), who is attending this Meeting as an Observer.

Neil Chambers (potential new governor) was unable to attend this Meeting as an Observer, due to illness. An interview will be arranged for the New Year and it is hoped he could attend part of the Board Development Day on 2 February 2018.

In addition, an interview with another potential new governor (Klavs Henriksen) has been arranged for 22 January 2018.

Depending on the outcomes of these discussions, one or both of these individuals may be able to be proposed for Membership of the Board on 2 February 2018.

ACTION: CLERK

1217. 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.

The Assistant Principal, Finance & Risk renewed her declaration as Director of Finance, South Essex College and General Manager of Essex Shared Services Limited, noting that this will cease on 31 December 2017.

Barbara Vohmann declared an interest in research at Anglia Ruskin University.

No confidential items were notified, other than Agenda Item 16 – Minutes and Recommendations of the Remuneration section of the Search Governance & Remuneration Meeting held on 21 November 2017.

For this item, the Board **AGREED** that the Staff Governors (Stuart Hodges and Janet Maynard) and Assistant Clerk should leave the Meeting, in accordance with Instrument of Government – Clauses 5(d) and 9(b). All staff and the student observer, save for the Clerk, will also leave the Meeting at that stage.

1218. URGENT BUSINESS

The Assistant Principal, Finance & Risk informed the Board that Lloyds Bank have agreed formally the extension of the College's Revolving Credit Facility until 30 June 2019 with an arrangement fee of £20,000 and interest rate of 2%. The total available under the RCF is £4,080,000 (which includes £500,000 drawdown for redevelopment at Princes Road).

In this regard, and at the request of the Bank, the Board **APPROVED** the following resolution, which was duly signed by the Chair of the Board and the Clerk as evidence of it being passed.

RESOLUTIONS OF CHELMSFORD COLLEGE

At a meeting of the governors of Chelmsford College (the "**College**") held at Chelmsford College on the **7th day of December 2017** the following Resolutions were passed.

Resolved that the following loan facilities for an aggregate principal sum of **up to £4,080,000** (the "**Facilities**") be arranged with Lloyds Bank plc (the "**Bank**"):

- (a) a revolving loan facility of £3,580,000 for purposes of refinancing the College's existing indebtedness to the Bank,
- (b) 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 6th December 2017 (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 which is already in place from the previous facility dated 7th August 2015.

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:

- (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.

In response to a governor question, the AP, Finance & Risk stated that the bank covenants remain mostly the same under this renewed RCF, except that we have to have a small surplus over a three year period and not make a cumulative loss.

There were no other items of Urgent Business.

1219. MINUTES OF THE MEETINGS HELD ON 29 SEPTEMBER 2017 AND 20 OCTOBER 2017

The Minutes of the Meetings held on 29 September 2017 and 20 October 2017 were **APPROVED** and **SIGNED** by the Chair, subject to some minor textual adjustments being made.

1220. MATTERS ARISING

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

- Members noted that Debs Hurst will become a Senior Postholder with effect from 1 January 2018 as Vice Principal, Finance & Corporate Services.

All other carry forward matters from the last Minutes are covered in the Principal's Report and in the Finance Report, which are part of this Meeting's Agenda papers.

1221. PRINCIPAL'S REPORT

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

It is important that we progress the relocation of Hair and Beauty from Beacon House and then proceed with the disposal of Beacon House. It was pleasing to report that the Revolving Credit Facility with Lloyds Bank has been renewed, subject to formal legal documentation, through to June 2019, which is very positive for the College's funding.

External landscape

He referred to the current external landscape in Further Education commenting on:

- The recent Budget
- Increase in National Living Wage in April 2018 from £7.50 per hour to £7.83 per hour (4.4%)
- Downgraded forecasts for UK economic growth
- Enquiry launched on apprenticeships by the Education Select Committee
- Ofsted reforms
- The new Office for Students for HE
- Attendance at English & Maths remains a national challenge (as it is for the College)

Writtle University College

The Memorandum of Agreement is still to be developed following the signing of the Memorandum of Understanding signed on 14 July 2017. These developments pick up on the recommendations from the Essex Area Review. Transitional funding of £50,000 has been received to facilitate the development of collaboration with Writtle. A consultant from ACER (Andrew Thomson) is assisting in this initiative (see **1215** above).

His Report is expected in early March 2018 with recommendations on both the mid-Essex curriculum and any shared services worth developing.

Enrolment

This is covered in **1222.2** below with financial implications for this year, particularly the in-year funding assurance as regards 16-18 funding.

Current recruitment against 19+ funding line is meeting expectations and there is confidence that the target for the year can be met.

Apprenticeships starts are down due to the Apprenticeship Reforms and there is an emerging risk to our budgeted income targets (which is recorded on the Risk Register). It is due to delays in sign ups caused by employer contracts not yet being in place. This is a significant risk to the College and the sector generally as to the number of starts. Additional work is going on with a particular focus on larger employers to generate additional starts.

Funding for non-levy employers is still subject to ESFA allocations until December 2017. After this date, funding depends on a national procurement exercise, the results of which are not yet known. Indeed, notifications to providers of successful bids post-1 January 2018 have been delayed but are expected to be received before the end of December 2017.

It is noted that apprenticeships starts nationally are down 61% compared to previous years.

Quality Improvement

End of year performance data for 2016/17 is very positive with most indicators having improved to a much higher level, with less variability and the draft Self-Assessment Report proposes a grading of Good. The SAR is more descriptive this year to assist Ofsted by means of a position statement as well as it driving future and continuing improvement.

The SAR has been validated, with assistance from Paula Heaney (Ex-Regional HMI), and loaded onto the Ofsted portal together with the College Improvement Plan for 2017/18.

The Ofsted inspection is due at any time now. It is our expectation that the College will move from Grade 3 – Requires Improvement to Grade 2 – Good.

(Post Meeting Note: Ofsted visit took place from 12 till 15 December and the College achieved Grade 2 in all areas and overall, an excellent result).

Finance

Finance matters highlighted by the Principal are covered in Minute **1222** below.

Other Matters

A joint application with Writtle University College was submitted for an Institute of Technology targeted towards engineering in the land based sector. It is very unlikely to be successful as only about 13 will be set up in the whole country but this will be followed up with Writtle in the New Year.

Princes Road Phase 1 development has been commenced with engineers, who have identified some drainage issues at the site. It is not yet known (question from governor) if this will increase the budgeted cost for the project, but surveys and investigations now taking place will resolve this matter. Meanwhile, discussions with architects are proceeding and there is to be an informal meeting with Council planners after Christmas.

Accordingly, the Board **AGREED** that the cost etc of the Princes Road redevelopment (Phase 1) should be placed on the Risk Register

The Board **NOTED** that the College Strategic Plan 2018-2021 needs to be drafted but it was agreed to wait till after Ofsted have visited to proceed this matter. It was hoped that a draft could be considered at the Board Development Day on 2 February 2018.

1222. FINANCE REPORT

1222.1 Management Accounts for the three months ended 31 October 2017

The Assistant Principal, Finance & Risk gave a presentation on the College Finances and presented the Management Accounts for the period ended 31 October 2017 for discussion and comment by the Board. These accounts have been reviewed by the two designated Finance Governors (Elaine Oddie and Michael Lager).

For the year to date, the College is showing an operating deficit of £88K against an original budgeted deficit for the period of £118K.

Total income amounted to £3.691 million and total expenditure amounted to £3.779 million.

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 Board were **INFORMED** that unadjusted credits amounting to £69K have been carried forward from last year and will therefore increase this year's results.

The Assistant Principal, Finance & Risk also made the following observations in response to governor questions:

- The main variances relate to achievement of apprenticeship levy income where we are behind YTD profile but which is offset partly by less assessor costs – this applies to both levy paying employers and non-levy paying employers
- Staff pay is on plan but agency staff are still being used to fill positions which are not recruiting and this will put pressure on the staffing budget
- Non-levy income has an allocation to 31 December 2017 but from 1 January 2018 till 31 March 2019 it is subject to a successful bid by the College, the outcome of which is not yet known and has been delayed

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.

At 31 October 2017, group net assets stood at £14.2 million, including cash of £1.9 million and revalued fixed assets of £32.4 million.

The College's Financial Health for 2016/17 to date, based on the SFA's new methodology, is Satisfactory and is expected to remain so for 2017/18. The target is for it to improve to Good for 2018/19, but that depends on the sale of Beacon House and paying down debt.

Cash flow has been positive for the year and the revolving credit facility will not be necessary in early 2018.

The current ratio stands at 0.60 slightly better than last year of 0.53. Pay expenditure as a percentage of income is 64% against target of 62%. Borrowing as a percentage of income is 43% within ESFA tolerances.

All bank covenants are being met.

1222.2 Funding for 2017/18

The College recruited an increased number (108) full-time 16-18 students this year compared to last year, although the number of learners on short term courses are lower (104). However, two planned courses about to start aimed at NEETs should reduce this shortfall.

The College has succeeded, after persistent efforts, in receiving a letter of comfort from the ESFA giving assurance that the College will receive exceptional in-year payment for any delivery over and above our current year allocation.

There are some parameters to this payment but it could mean additional 16-18 funds this year of between £150K and £300K – it will be triggered by the IRL return (RO4) to the ESFA submitted yesterday. The working projection at this stage is for additional unbudgeted income for 2017/18 of £175K.

It was confirmed, in response to a governor question, that this was a one-off payment for this year only.

For the future, the College should have 16-18 income £200K over this year's allocation and for 2019/20, the prediction is that the College's allocation could be £375K over the 2017/18 base allocation. However, the AP, Finance & Risk stated that these figures are speculative at this stage but an upward trend in this income line is likely.

1222.3 Pay Award 2017/18

A separate paper on this matter was provided to governors and was considered in item **1224** below.

1222.4 LGPS Update

The College's current deficit repayment plan is over 24 years at just under £50K per annum along with a 17.8% primary contribution rate and is due for review in the Spring term. The primary rate is expected to increase to 18.3%.

Essex Colleges continue to resist the Essex LGPS's desire for security against College assets and shortening of the deficit repayment period to three years. Furthermore, there is a review underway of all Tier 3 LGPS and Colleges are seeking deferral of a three year repayment commitment until the review has been completed.

The Scheme is meeting with employers in January 2018 and the Chair asked if she could attend, if possible.

ACTION: AP, FINANCE & RISK

1222.5 Revolving Credit Facility

The Assistant Principal, Finance & Risk **REPORTED** that the RCF renewal has been agreed with Lloyds Bank to run until 30 June 2019. The Board

APPROVED a resolution in this connection which is documented in Minute **1218**.

The Board were reminded of the security given to Lloyds over Beacon House and that security continues.

1222.6 Peter Lauener Letter and Response

A letter from the outgoing CEO of the ESFA was tabled. In it, the CEO asked Boards to consider their compliance with a number of key governance standards. The AP, Finance & Risk tabled a paper as part of the Finance Report demonstrating the College's compliance and this has been placed on the governors' portal.

1222.7 Teacher's Pension Agency Return

The certificated return of contributions to the Teachers' Pension Agency for 2016-17, audited by KMPG, external auditors of the College, was **APPROVED**.

1223. Annual Report & Financial Statements 2016/17

The Assistant Principal, Finance & Risk **PRESENTED** the Audited Annual Report and Financial Statements for the year ended 31 July 2017 for the College Group, comprising the College and Dovedale Nursery CIC (the College's wholly owned subsidiary company) and the College's share of the results and the assets and liabilities of Essex Shared Services Limited (joint venture company with South Essex College).

The Accounts of ESS have been approved and signed by the ESS Board.

The College Group Accounts are unqualified and the regularity audit is also unqualified. KPMG did not identify and material audit adjustments during the audit.

The Annual Report & Accounts have been reviewed by the Audit Committee and they **RECOMMENDED** that they be approved by the Board. The two designated Finance Governors have also reviewed the Accounts and attended the Audit Committee as observers to participate in the review by that Committee.

The Board were informed of the changes from the Management Accounts previously reported at the September Board Meeting, which virtually wholly related to pensions accounting, as follows:

| | |
|---------------------------------|--------|
| Surplus per management accounts | £220K |
| Pension service charges | (337K) |

| | |
|---|------------|
| Interest on LGPS pensions | (173K) |
| Share of ESS Limited deficit | (41K) |
| Actuarial gain on LGPS Pension Scheme (college and ESS) | 1,490K |
| Total Comprehensive Income for the year | 1,159K |

The Board **APPROVED** the Accounts for the Group being prepared on the **Going Concern** basis and in making this judgement, the Board considered:

- The College deficit in management accounting terms has been eradicated
- Cash generation in the year was £0.3 million, as against an inflow of £0.2 million last year, therefore continuing to improve
- A breakeven position in management accounting terms is expected for 2017/18
- The reduction in 16-19 funding for 2017/18 under the lagged funding model has been mitigated in the current year's budget and through the ESFA in-year funding assurance expected to produce around £175K extra allocation this year
- Cash flow is projected to be positive for the current year and an overdraft facility is not expected to be required for 2017/18
- The College's RCF with Lloyds Bank has been renewed thus securing finance for the College
- Apprenticeship reform and the employer levy are still uncertain as is the non-levy income under the bidding process from 1 January 2018 to 31 March 2019 but will be mitigated by the extra in-year funding
- LGPS deficit repair payments and employer contributions are causing higher employer costs, which are included in the 2017/18 break even budget
- Essex LGPS are still looking for security on College assets
- Ability to dispose of Beacon House at or around book value

The Board **APPROVED** the Audited Financial Statements and Annual Report for the College Group for the year ending 31 July 2017 including, specifically, the Going Concern disclosures in the Annual Report and Financial Statements (summarised above) and **AUTHORISED** the Chair and the Principal (as Accounting Officer) to sign the statements on behalf of the College.

The Board further **APPROVED** the Audited Financial Statements for the year ending 31 July 2017 for Dovedale Nursery CIC and **AUTHORISED** a Director of the Company to sign those statements on behalf of the College.

This resolution constituted the Annual General Meeting of Dovedale Nursery CIC for 2017.

The Board **NOTED** the Essex Shared Services Limited Accounts (joint venture company with South Essex College), which had been approved by the ESS Board.

The Board **APPROVED** and **AUTHORISED** the Chair, or a Director in the case of the subsidiary, to sign, on behalf of the Board, the Letters of Representation requested by KPMG in connection with their audits of the College Group and Dovedale Nursey CIC.

The Board **APPROVED** and **AUTHORISED** the Chair to sign, on behalf of the Board, Letters of Support for Essex Shared Services Limited, a similar letter being also provide by South Essex College, and for Dovedale Nursery CIC for submission to KPMG as part of their audit assurance.

A governor asked why a Letter of Support for Dovedale is necessary and the AP, Finance & Risk responded that the indebtedness to the College by Dovedale (caused by Gift Aid payments accrued) exceeds cash in the bank at Dovedale.

A governor asked if there is any tangible action the College can take in respect of the LGPS situation. The AP, Finance & Risk said that we are too small an employer to have a seat on the Board of Trustees of the Pension Scheme and we make our representations to the Scheme collectively with the other Essex Colleges through FEDEC.

The Clerk informed the Board that the Public Values of the College and compliance with the Public Benefit test for Charities are covered on pages 4 and 5 of the Annual Report and this wording was **APPROVED**.

The Board offered their thanks to the AP, Finance & Risk for her excellent efforts in preparing and completing the accounts for the College and Dovedale.

The Board adjourned for a short period at about 3.15 pm in order for the Chair and Principal to sign the various Accounts and related documents.

1224. HUMAN RESOURCES REPORT

The Board **RECEIVED** a Report from the Assistant Principal, People & Services on Human Resources matters.

The key points were:

- A workforce strategy document has been drafted and provided to the Audit Committee. It is hoped to finalise this at the Governors'

Development Day on 2 February 2018 alongside the Strategic Plan for the College 2018-21.

- **Turnover** to date for this academic year annualised is 27% against 16% to this date last year and a target for the year of 18%. Last year's rate was 18.5%. The increase relates mainly to non-teaching areas
- Staff recruitment continues and is difficult in certain areas (particularly engineering and construction) and therefore reliance on agency staff is higher than preferred with attendant cost implications
- Sickness **absence** was higher than target at an average of 6.43 days (teaching staff 4.2 days and non-teaching staff 7.7 days), mainly attributable to staff with long-term health problems. The target for the year is 4.5 days per person per annum and last year's actual was 5.8 days
- Updated performance targets are now in place for the majority of staff, with progress reviews monitored regularly and reports provided to SMT
- Three CAMs have resigned this year, moving on to promotion opportunities elsewhere, rather than dissatisfaction at the College and succession planning is in place for those posts
- Employment relations continue to be positive and no claims have been made to the Employment Tribunal – regular meetings are held with union representatives

Governor questions/responses

There is robust absence management in place but there a lot of staff experiencing continuing absence due to long term medical conditions, with the majority in support staff.

Staff turnover at 27% is very high but it is not inconsistent with the sector as a whole. The AP, People & Service said that there was a considerable cost in recruitment and to train staff, but this was undermined by the intense competition in the sector. Staff departures are not primarily to do with pay but to do with the quality of the job from a career perspective and also travel to work is becoming more of an issue.

Management are conscious that this is an ongoing issue and the College is doing all it can to minimise turnover. The Principal thought that a good inspection outcome may help in recruitment and retention.

Governors **AGREED** that staff turnover should remain as a Risk on the Risk Register.

New CAMs have been appointed but the College is confident that they will hit the ground running. It is acknowledged that they need development and good induction so time will tell.

In respect of turnover challenges, the Deputy Principal observed that internal appointments can be better/easier as the staff in question already have knowledge of the College. Furthermore, the DP felt that another effective strategy is the graduate training programme. The Principal added that the use of the College's own levy pot has not yet been fully exploited by the College itself in growing the College's own staff.

Governors requested that there be a debate at the Board Development Day in February 2018 in respect of staff workload, turnover and performance management, along with the workforce strategy document currently in draft and which has been reviewed by the Audit Committee.

This point above needs to be followed up.

ACTION: PRINCIPAL

Pay Award 2017/18

The Board received a separate paper on this issue and **APPROVED** a general increase to all pay rates (with the exception of Senior Postholders), effective from 1 January 2018 of 1% or £250 per annum (FTE pro-rata), whichever is the higher.

The Board noted that the cost of this award would be £60K for this year. The award is in line with national recommendations. The 2017/18 budget included a pay rise of 1% and it will be financed through savings from a reduction in the number of CEG managers.

The Principal said that staff will be told next week along with an extra day's holiday for all the work on getting ready for the Ofsted inspection.

The Board also discussed the implementation of the 30p per hour increase in the Living Wage announced by Government from November 2017. The cost implications of this rise are considerable and the Board **AGREED** to reconsider this issue at the March 2018 Board Meeting, when detailed costs and proposals will be tabled and the cost of implementation can be taken in context of this year's progress.

The Board were made aware that the increase must be implemented by May 2018 to remain an accredited Living Wage employer.

In response to a governor question, the AP, People & Services stated that staff increments are managed separately and there is an allowance in the

Budget for this. Increments are a Management decision on an ongoing basis.

The Board **RECEIVED** the Report.

1225. EQUALITY & DIVERSITY ANNUAL REPORT

The Annual Report on Equality & Diversity for 2016/17 was **PRESENTED** by the Deputy Principal.

This is a regular Annual Report so that the Board can review learner outcomes from this perspective and provide transparency to Ofsted and other outside agencies.

The Deputy Principal reported that the College has made significant progress towards reducing or eliminating key performance gaps between different groups of learners during 2016/17. This is a key focus of Ofsted.

She further stated that the College is always looking at closing the gap between specific areas of learners where there is still work to be done but nevertheless the Report painted a positive picture.

Key performance highlights:

- Gender performance gap minimal at 1.1% (females higher) virtually the same as last year for 16-18 learners and hardly any gap at 19+ which is an improvement of 2pp on last year
- Small gap between British and other ethnic groups in 16-18 learners and in the 19+ group
- Reduction of success rate gap between learners in receipt of Additional Learning Support and those not to 3.6% (last year 6.6%) for 16-18 learners – for 19+ learners, the gap was reversed with students in receipt of ALS performing better than those not
- Looked after children perform less well than the College population at the same age range because their retention rate is significantly lower but those with good attendance perform higher than the overall college population

Overall, it is the judgement of the College that there is no significant variation in achievement between learners in either age grouping from ethnic heritage backgrounds and the total College population.

The Board **APPROVED** the Annual Report.

1226. ANNUAL HEALTH & SAFETY REPORT 2016/17

The Principal **PRESENTED** the Annual Health & Safety Report 2016/17 and the Annual Health & Safety Plan 2017/18 (on Governors' portal) for consideration by the Board.

The Report covers the shared service arrangements for Health & Safety between the College and South Essex College. It follows the same format as last year and covers the following areas:

- Management systems in place
- Risk Management
- Feedback on routine inspections
- Staff training
- External audit
- Analysis of accident/illness statistics
- Educational visits and work experience
- Food safety

The Board **NOTED** the following key points arising from last year:

- All campuses have had a satisfactory fire safety audit
- All campuses subject to formal Health & Safety audits
- Under reporting of minor accidents remains an issue at Princes Road and Beacon House
- Zero RIDDORS reported (no major events this year)
- Embedding of new H&S administrator
- Introduction of new audit system (iAuditor) has improved monitoring and compliance
- Sufficiency of trained first aiders
- New Educational visits system working well
- Substantial evidence of training for staff during the year

The Principal noted that there is increased reporting of accidents and incidents this year due to improved awareness by students and staff.

In response to a governor question, the Principal commented on the higher number of accidents disclosed in the Report for 2016/17. This is due to Higher Needs Learners and more 'dangerous' trades in the College but he reassured governors that generally these are low level matters.

A regular Health & Safety newsletter is now being produced.

The Deputy Principal now chairs the H&S Committee and the Principal continues to sit on the Committee as Governor Representative.

One governor thought that H&S compliance has improved since becoming a governor and there is better audit trail. The Principal said that Steve Hope's influence has been significant.

The Principal reported on the Critical Incident Plan. It has a focus on evacuation of the buildings and the 'run, tell, hide' rule in the event of an attack on individuals. The alarm system has been tested for staff and students in this regard and governors will also be made aware.

(Post Meeting Note: this has now been done)

The Board was reminded of its legislative duties in relation to the oversight and awareness of Health & Safety in the College and this annual assessment and the Plan help keep the Board informed in this regard and addresses the two risks for Health & Safety on the College Risk Register, both of which are rated AMBER.

The Board **APPROVED** the Report for 2016/17.

1227. ITEMS FOR APPROVAL

The Board **RECEIVED** a number of Reports for consideration and approval. All of these papers had been considered in detail by either the Board or a Committee and were recommended for formal approval by the Board.

The documents had been all uploaded on the Governors' Portal to enable visibility by all Governors.

The Board then formally **APPROVED** the following documents and Reports:

From the Quality and Learners Committee (7 November 2017)

Self-Assessment Report 2016/17
College Improvement Plan 2017/18
Curriculum Plan 2017/18
Annual Safeguarding Report 2016/17 (noting a couple of minor amendments had been made)
Renewal of Terms of Reference of the Committee

From the Audit Committee (21 November 2017)

Annual Report of the Audit Committee 2016/17 (which was then signed by the Chair of the Committee)
Internal Audit Plan 2016/17
Renewal of Terms of Reference of the Committee

From the Search, Governance & Remuneration Committee (21 November 2017)

Renewal of Terms of Reference of the Committee

Next year, the Clerk was asked to provide a document demonstrating compliance by the SG&R Committee with its Terms of Reference, as is done for the other Committees.

ACTION: CLERK

1228. 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 discussed elsewhere in this Meeting and that they are now classified as RED risks on the Risk Register.

Students' progress against TAG, although below year target, is nevertheless good for this time of the year (61% against target of 75%).

As the Board have noted in the past, attendance at English & Maths remains a challenge and an issue. Attendance to date this year for English is 79% (target 90%) and Maths 77% (target 90%). 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**.

1229. RISK REGISTER AND DASHBOARD

The Assistant Principal, Finance & Risk provided the updated Risk Register and Dashboard as at November 2017 and Members were directed to the Minutes of the Audit Committee held on 21 November 2017 where a detailed Risk Management Report was received and discussed.

The AP, Finance & Risk pointed out that the current risk status on the Register is that there are 29 key risks noted, made up of 2 RED risks, 7 AMBER risks and 20 GREEN risks.

The Ofsted inspection outcome is rated GREEN as the expectation is that the College will be graded 2 – Good, up from the present grade of 3 – Requires Improvement.

There is a real risk looming regarding the Apprenticeship Reforms given the complexities of the funding and the difficulty Colleges are having in signing up employers to Apprenticeships. Hence, the classification of Apprenticeship levy in respect of levy paying employers and non-levy paying employers as the two RED risks, both upgraded from AMBER.

The Audit Committee considered the Risk Register in detail at their Meeting on 21 November 2017 as documented in the Committee minutes forming part of item **1230** below.

The Board **NOTED** the Report.

1230. MINUTES OF COMMITTEE MEETINGS

The Board **RECEIVED** a copy of the unapproved Minutes of the following Committee Meetings which have taken place since the last ordinary Board Meeting on 29 September 2017, as follows:

- Audit Committee – 21 November 2017
- Search Governance & Remuneration Committee – 21 November 2017
- Quality & Learners Committee – 7 November 2017

The Board also **RECEIVED** a Report on the Board Development Day held on 20 October 2017.

The Board **NOTED** that the Audit Committee do not recommend that RSM be re-appointed Internal Auditors for the College for the 2018/19 year and that a procurement exercise will take place in Spring 2018, in conjunction with South Essex College, as the appointment was made on a joint basis originally in 2015.

The Audit Committee **RECOMMENDED** the re-appointment of KPMG as external auditors and regularity auditor of the College for 2018/19 and this was **ENDORSED** by the Board.

1231. GOVERNANCE MATTERS

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

Governor Recruitment

Neil Chambers and Klavs Henriksen have both expressed an interest in joining the Board – see item **1216** above.

The Board were further reminded that both Sarah Noble and Susan Hughes reach the end of their terms of office at the end of March 2018 – both are eligible for re-appointment and have indicated their wishes to be considered for re-appointment.

ACTION: CLERK

Governors' Development Day 2/2/18

The Principal indicated some suggested content for the Day and Members will be informed in the New Year.

ACTION: PRINCIPAL

Reports on Governor Visits

Visits undertaken since the last Board Meeting:

Seena Shah and **Sarah Noble** attended a Learner Voice Meeting.

Susan Hughes attended Safeguarding Meeting and she informed the Board that the latest version of the Safeguarding Report has been placed on the portal for information.

A log of Governor Visits is being maintained and governors are asked to inform Joanne Harrington of visits they make to the College.

ACTION: CLERK

1232. ANY OTHER BUSINESS

Members **NOTED** Mike Tadman's retirement shortly and presented him with a card acknowledging his service over fifteen years with the College. Mike said a few words in response.

There were no other items of AOB.

1233. DATES OF NEXT MEETINGS

Friday 2 February 2018 at 9.00am at Princes Road (Governors' Development Day)

Friday 23 March 2018 at 2.00pm

Friday 6 July 2018 at 2.00 pm

(At this point, the Meeting moved into the Part 2 Confidential Agenda and staff governors, management and the student observer, save for the Principal, withdrew)

There being no further business, the Meeting terminated at 5.20 pm.

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