

**CHELMSFORD COLLEGE
BOARD OF THE CORPORATION
18 March 2016**

Minutes

Minutes of a Meeting of the Board of the Corporation held at the Moulsham Street Campus, Chelmsford on Friday 18 March 2016 at 2.15 pm.

PRESENT: Elaine Oddie (Chair)
Michael Lager (Vice Chair)
Graham Evans
Andy Sparks (Principal)
Steve Houghton
Sarah Noble (Vice Chair)
Doug Zeeman

IN ATTENDANCE: Caroline Williams (Deputy Principal)
Mike Tadman (Assistant Principal, People & Services)
Debs Hurst (Assistant Principal, Finance & Risk)
Rob Millea (Clerk to the Corporation)
Jo Seward (Minuting Secretary)

1097. APOLOGIES FOR ABSENCE

Apologies for Absence were received from Barbara Vohmann, Heather Clarke, Jonathan Swan and Susan Hughes.

Luke Hain (Student Governor) was absent.

1098. DECLARATIONS OF INTEREST AND CONFIDENTIAL ITEMS

There were no declarations and no confidential items notified.

1099. MINUTES OF PREVIOUS MEETINGS

The Minutes of the Meeting held on 11 December 2015 and the Special Meeting held on 5 February 2016 were **APPROVED** and **SIGNED** by the Chair.

1100. MATTERS ARISING

The Clerk tabled a paper outlining outstanding Matters from the previous Meeting for noting and discussion.

A summary of these Matters follows:

The Board confirmed that it was not their policy to establish Lead (or Link) Governors for Curriculum Areas or Departments. The Board was satisfied that it had sufficient actions in place to inform itself of the life of the College, namely (but not exclusively):

- Involvement in the SAR validation process
- Informal meetings with students
- Meetings with curriculum Heads of Department
- Attendance at College Events
- Presentations on curriculum and other areas
- Learning Walks (up to half a day)
- External speakers on key issues in the sector
- Specific training on, for example, asking challenging questions and governance generally
- Peer liaison with other Colleges
- Attendance at regional and national conferences and seminars
- Attend College student conference
- Attendance at Board Development Days

The Board were concerned that there is a real danger that they could inadvertently get into management but the Clerk stated that this can be avoided through careful organisation and focus of the activities that might be carried out.

The Clerk was asked to ensure that invitations go out to Members about forthcoming events with as much notice as possible. He undertook to keep a record of the various attendance by governors at these events.

The Board felt that a written Briefing on Matters Arising is a useful addition to the Board papers and asked that it continue.

ACTION: CLERK

1101. PRINCIPAL'S REPORT

The Principal presented a written Report for the information of governors, supported by a short PowerPoint presentation.

Key issues highlighted:

- General update on the FE sector
- Area Reviews (covered in item 1102)
- Apprenticeship target nationally and collection of levy

- New Principals to be appointed at Epping Forest College and SEEVIC
- Our learner numbers this year for Apprenticeships (slightly below target but our forecast value should be met)
- College Finances (covered in item 1106)
- Phase 2 Middle Management restructuring
- Quality Improvement
- All schools to become academies by 2020
- No devolution for Essex

He discussed the future of Chelmsford Training Services Limited, currently incurring losses. His view is that the Company should be wound up as an entity as it has no real commercial purpose. The pension costs would be £130K on migrating staff to the College. Staff would have to be TUPE'd across to the College and the Apprenticeship activity of the Company will be transferred into the College.

The **College Improvement Plan** has been updated to include actions arising from the Ofsted Inspection last November and the priorities have been made abundantly clear. The next Ofsted Improvement Visit is scheduled for 24 March and is expected to focus on management actions to improve and governor development in demonstrating IMPACT. A few governors will meet with the HMI at 12 noon for an hour.

Our intervention plans in a number of curriculum areas are having a positive impact and are subject to two weekly reviews.

A refined performance management system is under development and will bring together all available staff performance indicators in one place, with an operational target date of September 2016.

The **Phase 2 Restructuring** commenced in February 2016 in order to streamline the middle management of the College and to strengthen the capacity of middle managers to promote high expectations, drive rapid improvement and reduce inconsistent performance.

A number of curriculum posts in the new structure are still to be confirmed. The new structure will be in place from 11 April 2016. It was stressed, in answer to a question from a governor, that the new structure is not overly bureaucratic and is actually quite a flat structure.

In response to a question from a governor, it was confirmed that the new structure is more flexible and less bureaucratic and puts staff closer to students, especially Curriculum Area Managers who now have 0.75 to 0.8 teaching time.

The Report was **RECEIVED**.

1102. AREA REVIEW CONFERENCES

The Principal had attended an Area Review Conference in Stoke-on-Trent on 12 February 2016 and provided a written Report.

The Clerk had attended an Area Review Conference in Reading on 16 March 2016 and tabled a written Report.

The Clerk also reported that the Government has recently issued updated guidance on area reviews and the link is <https://www.gov.uk/government/publications/post-16-education-and-training-institutions-updated-guidance-on-area-reviews>, which draws on experiences to date during the first batch of area reviews, as well as Government thinking for the remaining reviews. The link is also on the portal.

Specifically, Governors were directed to Appendix C to this document which on two sides of A4 summarises the role of the governing body in area reviews.

The Clerk stressed that the Area Review process will require considerable input from College Management and, from the governance perspective, from the Chair. It is likely to take around three months.

There is a danger that Area Reviews become a distraction from the core activities of the College and, especially, from rapid Quality Improvement.

Key points which are emerging:

- How the £560million support fund from Government for Area Reviews will work (loan or grant or mixture of both)
- Treatment of College pension liabilities in a new organisation
- Bank break cost associated with renegotiating loan portfolios
- Timeline slippage (wave 1 not finished yet)
- Burden on colleges and governing bodies in participating in the process
- Costs of due diligence

The Reports were **NOTED**.

1103. REPORT ON GOVERNANCE SUMMIT

The Clerk presented a Report on the AoC Governance Summit, which he had attended in London on Wednesday 2 March 2016 and took questions.

The Summit identified the key risks and concerns amongst Colleges:

- Ofsted inspections (especially in respect to English & Maths)
- Financial pressures with Colleges' financial health declining and occasional severe pressure on cash flow
- Outcome agreements/devolution
- Apprenticeship funding (especially the lack of plans regarding SMEs and their ability to access the Apprenticeship Levy)
- Area Reviews

Strategic planning is proving a real challenge in the uncertain environment which exists.

The closing address from the Minister included the following emphases:

- No more financial bailouts
- Even if you think you are financially secure and could continue to operate in isolation after area reviews, you might be able to become even stronger through participation/collaboration
- New insolvency process for Colleges (there isn't anything at present)
- Have you planned for the increasing Apprenticeship funding available?
- Informal arrangement with partners may not survive when the individuals who have established them move on to other jobs

The Report was **NOTED**.

1104. REPORT ON OFSTED SEMINAR

Caroline Williams, in the absence of Susan Hughes, presented a Report on their attendance at the Ofsted East of England Improvement Seminar held at the IWM, Duxford on 25 February 2016.

Susan was thanked for her comprehensive and thoughtful Report.

As a result of the presentations and discussions during the seminar, Susan posed a number of issues for the Board to consider:

- Ensuring our Meeting Minutes demonstrate challenge and what else is needed to evidence challenge
- Frequency of Meetings so that the Board can respond quickly and move fast
- Involvement of Governors in the SAR process
- More involvement in the life of the College

A discussion ensued, facilitated by the Clerk.

It is difficult for governors to know what they need to know without getting into management and without receiving too much information.

The Clerk is aware of the need to include challenge in the Minutes of the Board and its Committees.

The Board requested that the KPI reporting be adapted to focus on targets as events unfold, i.e. by revising targets during the year so that they become up to date forecasts

The Board was not minded to meet more frequently nor its Committees, but there is always the option to schedule one-off sessions, particularly in the Quality & Learners Area to address specific issues or to find out about current progress.

KPIs will be kept up to date regularly on the governors' portal and that Meetings will follow fairly quickly after they become available. The principal confirmed that if a query arises from a governor on the KPIs then the Leadership Team are happy to receive such a query and respond if it is not in the paper.

The issue of governors' involvement in the life of the College is referred to in Minute 1100 on Matters Arising.

ACTION: CLERK

1105. EFA FUNDING 2016-17

The EFA Funding Allocation for the College for the 2016/17 academic year has been received.

It is positive being £137K higher than the current year and £322K higher than the figures included in the original Financial Recovery Plan, for a variety of reasons. Higher Needs Student funding has increased and is supplemented by Essex County Council. The allocation does not at this stage include student support funding (Bursaries and Free Meals).

The SFA allocation for 2016-17 is yet to be received but is expected by the end of the month.

The Report was **RECEIVED**.

ACTION: DEBS HURST

1106. FINANCE REPORT

The Assistant Principal, Finance and Risk presented this Report, which mirrored the Report considered by the Personnel Finance and General Purposes Committee on Tuesday 8 March 2016 and recorded in the Minutes of that Committee (see Minute 1108).

In summary, the College is showing a deficit of £86K through 31 January 2016 compared to a budgeted surplus to that date of £67K. Debs Hurst explained the reasons for that variance.

A year end forecast has been carried out with all Budget holders and a surplus for the year of £100K is projected against the original budget of £220K.

The variances on the results to date largely give rise to the revised forecast downwards from budget for the full year.

Cash flow remains tight at present with suitable short term overdraft facilities in place to cover the current shortfall. The facility of £400K is in place until the end of this month.

The Board noted two examples of Value for Money initiatives which have been recently put in place - Smart Assessor and EVOLVE. Full details were itemised in the paper and the scrutiny of these two items documented in the minutes of the PFGP Committee referenced above.

The Board enquired as to the likely outlook for next year and it was indicated that, assuming the SFA settlement is satisfactory, a £200K surplus is possible, it being limited by the continuing costs of Beacon House and the losses being incurred in Chelmsford Training Services. For 2017/18, a surplus of £500K would be the aim – it was noted that the target for surpluses of Colleges following Area Reviews is 3.5% of turnover.

The Report was **RECEIVED**.

1107. TREASURY POLICY

The Board **APPROVED** the College Treasury Policy on the recommendation of the Personnel Finance & General Purposes Committee.

1108. MINUTES OF COMMITTEE MEETINGS

The Board **RECEIVED** the unapproved Minutes of the following Committee Meetings held since the Board last met. These Minutes have been reviewed by the Chair of each Committee but are not yet ratified by each Committee.

- a. Audit Committee – 7 March 2016
- b. Quality & Learners Committee – 9 February 2016
- c. Personnel Finance & General Purposes Committee – 8 March 2016

The Board also **RECEIVED** a written Report on the Board Development Day held on 5 February 2016.

The Clerk reported that the Search & Governance Committee had met immediately before this Board Meeting and the unapproved Minutes will be circulated at the next Board Meeting. Meanwhile, the business considered by Search & Governance is included in Minute **1110** by way of a verbal briefing by the Clerk.

The Minutes were **RECEIVED**.

1109. KEY PERFORMANCE INDICATORS

The Board **RECEIVED** the KPI Report and the associated commentary.

The Principal stated that Apprenticeships are reviewed at each SMT Meeting. They are currently lagging below the financial targets for the year 2015/16 (£450K 16-18 and £145K Adults). This is a significant risk to the whole year's outturn but it is expected that these targets will be met, as will the balance of the Adult skills budget.

Attendance is currently 86% against a target of 90% and punctuality is 98% against a target of 100%. The position is fair but does need effort to meet the target for the year.

Governors requested that Learners – End year performance on P6 needs redrafting to include revised forecast for this year.

Lesson observations includes various grading elements and Ofsted were happy with the assessment process but some teachers sometimes over generous in their judgements.

The Board was aware of the imperative for the College to stretch and challenge students and that it needs to be identified at each level. The Board noted that our Value Added is excellent. We need to be aspirational for our students.

The Board were pleased to note that staff turnover has dropped compared to last year (30% down to 24%) but the target for the year is 18% and that is stretching.

1110. GOVERNANCE MATTERS

The Clerk reported that the Search & Governance Committee had hoped to interview a prospective new Governor immediately before this Meeting, but she was unable to attend. It is to be rescheduled for 27 April. The Chair provided a brief outline of the candidate and the contribution it is hoped the candidate can make.

The Clerk reported on a number of matters discussed by the Search & Governance Committee:

- a. Angelika Baxter and Marie Kemp (Staff Governor) have each resigned from the Board
- b. Graham Evans has indicated that he will resign from the Board at the end of this academic year
- c. Some lines of enquiry are being pursued for new governors
- d. Staff governor elections will be held during the Summer Term to replace Marie and Heather Clarke, who is not intending to stand for re-election as a staff governor.
- e. There are a number of vacancies on Board Committees and it is hoped new staff governors and new external governors will enable those vacancies to be filled.

The Committee considered revised Governance Documents for the College and these will need some minor amendment. They will be brought to the Board Meeting in July for formal approval.

ACTION: CLERK

Governor Training

The Clerk reminded Members of the planned 'Governance Revisited' seminar to be held on 27 April at 4.30 pm, to be led by him, followed by dinner. Five governors have indicated acceptance.

The Clerk also informed the Board that he has tentatively arranged for Kevin Finnegan to present a morning session to the Board at the Development Day in October on the topic 'Asking Challenging Questions'.

ACTION: CLERK

1111. ANY OTHER BUSINESS

The Board were informed that a complaint from a student has been escalated and referred to the Skills Funding Agency.

1112. DATE OF NEXT MEETING

Friday 8 July 2016 at 2.00 pm

There being no further business, the Meeting terminated at 4.10 pm.

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