

**CHELMSFORD COLLEGE
BOARD OF THE CORPORATION
28 September 2018**

Minutes

Minutes of a Meeting of the Board of the Corporation held at the Committee Room, Moulsham Street Campus, Chelmsford on Friday 28 September 2018 at 2.00 pm.

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

IN ATTENDANCE: Caroline Williams (Deputy Principal)
Debs Hurst (Vice Principal, Finance & Corporate Resources)
Rob Millea (Clerk to the Corporation)
Joanne Harrington (Assistant Clerk)

1272. APPOINTMENT OF STUDENT GOVERNOR

The Board **APPROVED** the appointment of Ryley Shrimpton as a student governor of the Board with immediate effect. Ryley will join the Quality & Learners Committee. He is a Construction & Built Environment Student at Princes Road Campus.

1273. APOLOGIES FOR ABSENCE AND WELCOME TO STUDENT GOVERNOR

Apologies for Absence were received from Steve Houghton, who is currently on leave of absence from the Board, Ryley Shrimpton and Seena Shah.

1274. DECLARATIONS OF INTEREST AND CONFIDENTIAL ITEMS

The Clerk to the Corporation renewed his declaration that he acts as Clerk to South Essex College and as 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 informed the Board that she has been appointed as a Member Representative on the Essex LGPS Advisory Board.

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

The Principal also informed the Board that he is a director of ACER.

No confidential items were notified save that minute **1279.1** were deemed to be Confidential.

A Part 2 Meeting immediately followed this Meeting to discuss Collaboration with Writtle University College at which all governors attended and then to discuss pay and conditions of Senior Postholders at which only independent governors and Principal were in attendance.

At the request of the Principal, the Board **AGREED** that the Deputy Principal, the Vice Principal, Finance & Corporate Services and the Assistant Clerk could remain in the Part 2 Meeting for the discussions regarding Writtle collaboration.

The business of the Part 2 Meeting is all deemed to be Confidential.

1275. URGENT BUSINESS

There were no items of Urgent Business.

1276. MINUTES OF THE MEETING HELD ON 6 JULY 2018

The Minutes of the Meeting held on 6 July 2018 were **APPROVED** and **SIGNED** by the Chair.

1277. MATTERS ARISING

The Clerk tabled a paper tracking actions arising from the last minutes, all of which are covered elsewhere in the Agenda.

In respect of minute **1259**, Debs Hurst provided some information regarding the analysis between short and long term sick and will include this as part of the Human Resources Report at each Board Meeting, commencing with the December Meeting.

ACTION: DH

1278. PRINCIPAL'S REPORT

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

He stated that 2017/18 has been a good year for the College and 2018/19 has started well. Recruitment numbers are up for 16-18 students (2152 against 2032 last year) and looks strong for Apprenticeships. 19+ and HNC numbers are down at present.

Staffing matters are addressed in the HR Report (minute **1279**).

The Board noted that a new Ofsted handbook has been issued and the draft SAR is prepared in this format (minute **1281**). The grade proposed in the SAR is Good.

A new curriculum and innovation steering group has been established to ensure the efficient and effective implementation of the Curriculum Plan.

The reformed GCSEs are now offered to Adult learners.

The Board noted an analysis of recruitment of 16-18 students this year and that Hospitality, Hair & Beauty and Electrical have declined but there have been considerable increases in Art, Design and Media, Extended Learning, Childcare and Public Services.

The Principal said, in answer to a governor query, that the College needs to build on activity with Adults to ensure the allocation for the Adult Education Budget is fully utilised during the year and it maybe appropriate to consider further subcontracting to achieve this.

Funding & Finance

The Board were informed that a small operating surplus of £30K is currently projected for 2017/18.

The indicative budget for 2018/19 has been set with a surplus of £200K and will be revisited in October when staffing and student requirements clarified.

Beacon House is on the market and there are two interested parties at present.

The College will maintain Satisfactory Financial Health providing the projected outturn position is achieved.

Student results 2017/18

Student performance looks reasonably positive but slightly down on last year's high levels.

GCSE Maths and English outcomes were positive in the first year of the new style GCSEs with English grades 9-4 (A*- C) up 12 pp and Maths a decline of 6pp, but still above National Averages. Apprenticeships achievement was disappointing in 2017/18 compared to last year, although still over the National Rate.

Final achievements have not yet been completed. Further points are made in the agenda item for the SAR – minute **1281**.

Princes Road Redevelopment

There was a slight delay in these works but students commenced as from 12 September. The Reception area depends on the completion of some enabling works and we await a revised programme from the contractors.

Phase 2 of the Secret Garden has been completed.

Risk Dartboard

The current iteration of the College Risk Dartboard, taken from the College Risk Register was provided to the Board. This had been discussed in detail by the Audit Committee at its Meeting on 11 September 2018 and is documented in the Minutes of that Meeting (see minute 1285).

The key risk remain attendance at Maths and English, achievement levels and the budgetary position.

A new risk will be added to the next update relating to possible collaboration with Writtle University College and the form it might take.

The Report was **RECEIVED**.

1279. HUMAN RESOURCES REPORT

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

The key points were:

- **Turnover** to date for this academic year annualised is 15.26% (15.8% at time of last report) against a target for the year of 18%. The overall trend remains pleasingly downwards and

compares well with the AoC benchmark in the Eastern Region of 18.9%

- Staff recruitment remains high during this term with successful recruitment of 19 staff during the summer with some further recruitment in process
- Use of agency staff has increased since the last Report with 6 FTE at present. It still remains a significant cost and risk to the College given the 'hard to fill' vacancies in College (e.g Construction & Engineering and ICT) and it is difficult to see it declining during 2018/19
- Further initiatives have been put in place to stimulate recruitment interest in the areas of shortage which are documented in the Report.
- There has been a Departmental Review of Estates with the change from three campuses to two campuses and also for HR, with staff savings resulting. Consultation is going on in respect of the Catering and Hospitality are in the College.
- **Sickness absence** has risen averaging 8.15 days in the rolling twelve month period to end of August against AoC benchmark (2016/17) of 5.2 days and 7.39 days at the time of the last Report. The winter flu virus has played its part in the increase. Long term staff absence has reduced
- **Employment relations** are good with the unions and there have been no claims made to the Employment Tribunal
- Three grievances are being handled through the College grievance procedure
- UCU is seeking a 5% national pay increase and a meeting was held in the last week with Branch Officer stressing the tight financial situation faced by the College and informed them no money available for any general increases but the budget does contain c.£30K for increments and their allocation was discussed with UCU.
- UCU asked for the College's support for the case nationally for pay increases
- UCU indicated that they do not propose local strike action regarding the 5% pay rise request

A governor asked whether a significant rise in mental health and stress is being notified by staff as a reason for sickness. This was confirmed and more work is being undertaken to establish the reasons and how the College can build on that knowledge

A governor asked whether the College should continue to offer courses in Hospitality & Catering as enrolment continue to decline and have done over the past five years. Number are only about one third of what they were at that time.

The Deputy Principal stated that the College should continue with this provision. It was reviewed during the summer and the Apprenticeship element was removed. The College has over the years made a considerable investment in equipment in this area and it is appropriate to persevere. There will be a move from full time 16-18 students to adults on short courses, which will better meet market needs.

The Report was **NOTED**.

1279.1 Living Wage

This was deemed to be a Confidential Item and a separate minute has been prepared and is attached to these minutes.

The Board **NOTED** the Report.

1280. FINANCE REPORT

1280.1 Management Accounts for the year ended to 31 July 2018

The Vice Principal, Finance & Corporate Services **PRESENTED** the Management Accounts for the year ended 31 June 2018 for discussion and comment by the Board.

For the year, the College is showing an operating surplus of £30K against a budgeted deficit in the May reforecast of £74K, a favourable variance of £104K.

Total income amounted to £15.9 million and total expenditure amounted to £15.9 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.

At 31 July 2018, group net assets stood at £14.522 million, including cash of £780K and revalued fixed assets of £32.175 million.

The College's Financial Health for 2017/18 to date, based on the SFA's new methodology, is Satisfactory and will remain so for 2018/19.

The current ratio stands at 0.51 broadly as expected, but slightly under target of 0.6. Pay expenditure as a percentage of income is 65.18% against target of 63.83%. This is due to use of more agency staff than intended and is slightly over the suggestion from the FE Commissioner that pay as a percentage of income should not exceed 65%.

Borrowing as a percentage of income is 43.65%, which is within ESFA tolerances of 40% to 60%.

All bank covenants are being met.

The Board **APPROVED** the draft Management Accounts for the year ended 31 July 2018.

There was a query on the calculation from a governor and Debs Hurst will provide the calculation to the governor.

ACTION: DH

1280.2 Capital Update

The Vice Principal, Finance & Corporate Services **PRESENTED** a Report on the progress with the programme of Capital Works proposed for 2018/19, which had been approved by the Board at its July Meeting.

The key capital areas are:

- Relocation of Hair & Beauty to Princes Road
- Sale of Beacon House
- Continued development at Princes Road
- High Needs provision

The Report gave detail of the status of these areas.

The **transfer of Hair & Beauty** is likely to cost £950K against an original estimate of £900K. the added cost relates to necessary drainage works. As far as possible, equipment from Beacon House has been transferred to Princes Road.

The **sale of Beacon House** is included in the Principal's Report and a formal offer of £3.25 million has been received, subject to planning. The sale transaction is being proceeded. There is another interested party in the pipeline.

ACTION:DH

A bid for 2020/21 funding has been made to SELEP to replace the **Rubb Tents at Princes Road** with a steel framed building – initial cost estimate £1.8 million – in the amount of £1.3 million with the balance to be contributed by the College.

If successful, approval to proceed will be sought from the Board at the December Meeting.

ACTION: DH

Essex County Council have confirmed that £345K is available to extend our High Needs provision and a proposal made to the Council in this regard, with either a standalone building near Dovedale House (£414K) or a building attached to the existing main building by a covered walkway (£520K).

The Board **NOTED** the Report.

1280.3 Year end accounts and audit

The Vice Principal, Finance & Corporate Services provided an analysis of the differences between the management accounts position for the year (see minute **1280.1**) and the statutory financial accounts position.

Surplus per management accounts	£ 30K
Release of revaluation reserve	130K
Past service costs (pension)	(562)K
Interest on pension liabilities	(161)K
Actuarial gain	1,884K
Total Comprehensive Income (subject to audit)	£1,321K

KPMG will be starting their year end audit shortly.

The Vice Principal, Finance & Corporate Services advised that there has been a pooling of resources of local Pension Schemes which has reduced servicing costs. The Board also noted that the deficit of the LGPS is now only 7% compared to over 15% three years ago.

The Report was **NOTED**.

1280.4 Insurance Review 2018/19

The Vice Principal, Finance & Corporate Services **PRESENTED** a Report outlining the College's Insurance Cover for 2018/19 for review by the board as part of its duty to safeguard the assets of the organisation and procure protective cover against other risks to which the College might be exposed.

The costs of the main insurances for 2018/19 is £52K and £3.6K for motor vehicles and this was **AGREED**.

The arrangements are with RSA and apply till July 2019 – Essex Shared Services Limited will be reviewing the contract with insurance providers during 2019.

1280.5 Internal Audit Plan 2018/19

The Vice Principal, Finance & Corporate Resources and the Chair of the Audit Committee jointly **PRESENTED** the Internal Audit Plan for 2018/19, which had been prepared by Scrutton Bland, the College's new internal auditors, and discussed in detail by the Audit Committee at its Meeting on 11 September 2018.

The areas to be covered are itemised in the Audit Committee minutes of 11 September 2018. It includes full audits and 'health checks' which can, if warranted, lead to a full audit.

The Committee had recommended it to the Board and it was **APPROVED**.

1280.6 Financial Regulations

The Board **APPROVED** the updated Financial Regulations, which had been reviewed and recommended for approval by the Audit Committee at its Meeting on 11 September.

There are some Appendices to be completed which will be dealt with shortly.

The Board noted that Appendix B will be amended once the Governance Protocols are approved – see minute **1284**.

1281. SELF-ASSESSMENT REPORT 2017/18

The Deputy Principal **PRESENTED** the draft SAR for 2017/18 for review and comment.

The Deputy Principal commented that 2017-18 had been another challenging year for the College, especially in trying to maintain the high levels of achievement in 2016-17, but also to cope with the financial challenges affecting all Colleges.

Standards have been maintained and the draft SAR proposes a grading of Good with all four judgements and four provision types achieving this grade.

Caroline Williams stated that these are proposed grades at present and are subject to further validation. Final ILR assessment figures will be available on 18 October.

The College Improvement Plan arising from the draft Report will come to the Governors' Development Day on 19 October 2018.

Sarah Noble has attended Curriculum Area SAR validations over the course of the past week and Caroline Williams thanked her for her support during this process. The validations concentrated on the progress made and how staff can take ownership of their actions to move improvement forward.

On achievement, Caroline said that the Level 3 drop was a disappointment and reflects tougher qualifications. The drop in 16-18 Level 3 was mainly in retention and the drop at Level 2 mainly in pass rate on external tests and variation in functional skills.

It is clear that the College needs to better prepare students to achieve and to further improve the quality of teaching and planning. Despite these reductions, the College's achievement remains above National Rate.

Caroline stated that Chelmsford College remains a very strong Good College.

The Paper accompanying the draft SAR itemised the key points of the SAR for governors to note and consider.

The SAR will move to completion through review by the Quality & Learners Committee on 6 November 2018 and then be approved by the Board in final form on 7 December 2018.

CW mentioned areas of potential intervention during 2018/19.

The Board **NOTED** the Report.

1282. KEY PERFORMANCE INDICATORS 2017/18

The Board **RECEIVED** a detailed paper itemising KPIs for the College and the outturn for 2017/18, with commentary.

The following points were noted:

- The College's 16-18 numbers have met the conditions set by the ESFA for the exceptional in year growth that was previously awarded (£176K)
- AEB funding will not reach the full allocation but it will be within the 97% tolerance, thus avoiding any clawback next January
- Overall College attendance is 86% against KPI of 90% and is still being dragged down by poorer attendance in English & maths
- Students at Risk were higher than anticipated (13% against 7%)
- Apprenticeships 16-18 income has been strong although 19+ has underperformed
- Retention is 92% against target of 93%

- Overall, the performance data is not quite as good as last year especially achievement in level 3, but is still strong, being above the latest National Rate (2016/17) in all areas of provision except Apprenticeships (overall) where it is 3pp below NR and Level 2 which is 1pp below NR
- Performance targets were stretching for the year but actual performance is close to them, apart from Apprenticeships (9pp below), Level 3 (4pp below) and Level 2 (3pp below)

Governor questions

16-18 Afro/Caribbean students achieve below the College average and Female achievement and retention is lower than for Males.

Staff performance targets for new staff agreed with their manager within four weeks of starting work was only 25% against a target of 100%. There is a need to drill down on this to see why this has happened.

Some underperforming teachers are not teacher trained and sometimes this is a trend to some extent in their performance but it is not always the case.

1283. GOVERNANCE MATTERS

Governor Recruitment

There is currently one vacancy on the Board for an independent governor.

There are no prospective members at this point. The Board has a desire to appoint another Member with financial expertise. Steve Houghton's return to Board duties will help alleviate any possible issues of quoracy for the Audit Committee.

Governors' Self-Assessment Questionnaire 2017/18

All governors who served during 2017/18 (ten) had responded to this Questionnaire and the Clerk provided a Report to the Meeting of the responses. Overall, Governors awarded a grade of 1.5125 (last year 1.706) which, in Ofsted grading terms, is above Good (grade 2).

A number of points featured frequently as Areas for Development/Improvement in the responses:

- Establish better/more interaction with students – understand better the student experience
- Widen the Governor links programme to curriculum areas
- No Stakeholder engagement strategy

- More Learning Walks by governors
- Improve further the level of challenge by governors and questioning techniques

The Paper also included a note of possible topics for further Governor Training and Development. These will be followed up.

ACTION: CLERK

Programme for Governors' Development Day

The Principal provided an outline of the programme for the GDD at Princes Road on 19 October 2018. A significant item will be a presentation from some Writtle governors on future collaboration and an opportunity to discuss the future with them over lunch.

9.00 – 9.30	All staff briefing by the Principal (Moulsham Street)
9.45 – 10.00	GDD begins at Princes Road with refreshments
10.00 – 11.00	Quality Improvement Plan, Employer Engagement, T Levels and Work Experience
11.00 - 12.00	Development of collaboration with Writtle (some of their governors to be present and share their thoughts)
12.00 – 2.00	Lunch, with Writtle governors
2.00 – 3.00	Further discussions on Writtle collaboration
3.00 – 4.00	Tour of new Hair & Beauty provision at Princes Road
4.00	Conclusion

Compliance against English Colleges' Code of Good Governance 2017/18

The Clerk **TABLED** a Report demonstrating the College's Compliance against the Code for last year and this was **NOTED**.

Reports on Governor Visits

Governor Visits are noted regularly in the Minutes of the Quality & Learners Committee and of the Board. The Assistant Clerk is maintaining a list of training sessions and events attended by Governors and the Clerk.

As noted above, Sarah Noble attended curriculum SAR validations recently.

Review of Confidential Papers

The Clerk **REPORTED** that he had reviewed items in the minutes over the past year, which had been deemed by the Board to be Confidential. These

related to Remuneration Committee Reports, Living Wage, Senior Management Restructuring and Bank Refinancing.

The Clerk **RECOMMENDED** that these matters should remain Confidential and the Board **AGREED**.

1284. GOVERNANCE DOCUMENTS

The Clerk **ADVISED** the Board that the College Governance Documents and Protocols had been reviewed as requested by the Board at the July Meeting, primarily to incorporate the finance duties of the Board into the overall protocols and remove the PFGP Committee from the Governance Documents.

It was noted that other changes may arise in future from developments with Writtle and the proposed Institute of Technology.

The Board **APPROVED** the revised Governance Protocols and they will be placed on the website. They are already accessible on the Governors' Portal.

The Clerk recorded his thanks to Stuart Hodges for his assistance in proof reading the documents and suggesting changes.

1285. MINUTES OF COMMITTEE MEETING

The Board **RECEIVED** copies of the unapproved Minutes of the Audit Committee held on 11 September 2018.

1286. ANY OTHER BUSINESS

The Principal reported that the opening of the Secret Garden will be on Friday 12 October at 1.00 pm and the grand opening of the new Hair & Beauty facilities at Princes Road will be on Tuesday 13 November from 6.00 pm till 7.30 pm.

He also reported that he had an Early Intervention Meeting with ESFA yesterday but a formal Notice of Financial Concern was not issued. It is part of the ESFA programme to intervene with Colleges before matters deteriorate. It was noted that the College's Loan ratios and working capital ratios are still challenging in Financial Health terms, although College Financial Health remains Satisfactory at 31 July 2018.

1287. DATE OF NEXT MEETINGS

Friday 19 October 2018 at 9.00 am (Development Day)
Friday 7 December 2018 at 2.00 pm.

There being no further business, the Meeting terminated at 5.30 pm.

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