



CORPORATION

FINAL SIGNED Minutes of the Meeting held on Tuesday 13 December 2016 at 5.00pm in M234, All Saints' Building, Worcester

Present

Governors:	Neill Bucktin	Chair - From Item 18.7 ii)
	Steve Bolton	
	Amber Carrington	
	Kevin Gaffney	(Acting Chair until Item 18.8)
	Vikki Greenfield	
	Peter Heath	From Item 18.7 ii)
	Fiona Hellowell	
	Lucy Hodgson	From Item 18.3
	Stuart Laverick	Principal
	Karen Lowe	From Item 18.15 ii)
	Paul McCunn	
	Debbie Morris	
	Robert Pearce	
	David Rowe	
	Gary Woodman	
Apologies:	Sue Fowler	Vice Chair
	Louise Gresty	
	Denis Miles	
In Attendance:	Kelvin Nash	Vice Principal Curriculum & Quality
	Nicki Williams	Vice Principal Corporate & Resources
	Cherie Clements	Director of Finance
	Peter Robinson	Assistant Principal HE, Standards and Professional
	Sue Frost	Clerk to the Corporation

Action

18.1 Apologies

- i) Considerable traffic disruption led to several Governors reporting late arrival. The Chair had been delayed and the Vice Chair was representing the Corporation at an event in Bletchley Park celebrating the College's work with them in on line Cyber Security training. In accordance with Standing Orders, the Members present chose Kevin Gaffney to act as Chair. Apologies for absence were also received from Louise Gresty and Denis Miles and Karen Lowe was expected later. The Acting Chair welcomed Amber Carrington to her first meeting as Student Governor.

18.2 Governance Issues

The Corporation:

- i) **APPOINTED** Amber Carrington as the nominated and elected Student Governor
- ii) **ACCEPTED** the resignation of Paul McCunn and **APPOINTED** Kevin Gaffney as Equality and Diversity Champion

Action

- iii) **ACCEPTED** the resignation of Neill Bucktin from the Remuneration Committee
- iv) **APPOINTED** Kevin Gaffney (currently Vice Chair) as Chair of the Audit Committee
- v) **APPOINTED** Louise Gresty (currently Chair) as Vice Chair of the Audit Committee

Lucy Hodgson joined the meeting at this point.

18.3 Declarations of Interest

- i) Staff Members and attendees declared an interest in the potential Pay Award. Paul McCunn declared that his wife is an employee of the College and the Members confirmed that they were happy for him to stay in the meeting for this item as an observer. Lucy Hodgson declared an interest as the Matters Arising paper referred to Worcester City Council.

18.4 Minutes of the Last Meeting

- i) The Corporation **APPROVED** the Minutes of the meeting held on 18 October 2016 as a true record for signature by the Chair.
- ii) The Clerk to the Corporation reported a minor correction to the Notes of the Meeting on 26 November 2016 at 2 iv). The Corporation **APPROVED** the revised Notes of the Corporation Away Event held on 25 -26 November 2016 as a true record for signature by the Chair.

18.5 Matters Arising

- i) The Corporation reviewed the Action Points report and noted progress. Some dates needed correcting to 2017. Members agreed that queries recorded about long standing items would be discussed with the Chair and resolved outside the meeting.
- ii) The Corporation **MONITORED** action taken and remaining to be taken in respect of Matters Arising from the Minutes of meetings and the Notes of the Corporation Away Event.

CC/Chair

18.6 Determination of Any Other Urgent Business

- i) There was no other urgent business.

18.7 PRINCIPAL'S REPORT

i) Principal's Update for Governors

The Principal presented his report which included commentary on the College position with reference to the Association of Colleges' Ofsted Inspection themes and the November Autumn Statement. He warned that although funding per Student had not been reduced, the effect of inflation would cause a real time reduction. The Staff Governors, who had recently attended the FE Staff Governors Conference, concurred with this view and reported that concerns over maths and English had featured prominently.

ii) Curriculum and Quality Key Performance Indicators

The Vice Principal Curriculum & Quality presented statistics as at 24 and 30 November 2016, after the probationary period. The data included RAG rated indicators for Retention (green), Attendance (3 amber, 1 red), Maths and English attendance (corrected to 3 red, 1 amber) and Lesson Observations (green). The Vice Principal Curriculum & Quality explained that College managers were concerned about attendance generally, which, although it currently met the Corporation's Key Performance Indicator, there

was little room to manoeuvre and historically attendance was likely to decline over time and for Maths and English attendance in particular.

Neill Bucktin, Chair, and Peter Heath joined the meeting at this point.

Governors challenged the Vice Principal Curriculum & Quality, asking:

- Whether the data was robust and what was being done to improve attendance. The Vice Principal Curriculum & Quality confirmed that the data was now robust and that attendance was under constant review by managers. The next Teaching Assessment and Learning Quality (TALQ) meeting was solely on attendance. A number of students were being taken through the students' standards disciplinary process, however, in one example a student faced with withdrawal from the College on the grounds of non-attendance at Maths and English, accepted that consequence rather than change behaviour. There was concern that this attitude could spread, which would then affect college wide retention and ultimately end of year pass rates.
- How many lesson observations would be carried out in total? The Vice Principal Curriculum & Quality replied that all FE staff including those under probation, agency or part time contracts would be observed during the year. The 49 observations reported in the papers had been carried out in the last three to four weeks. The plan was to complete first reviews mid February, allowing time for support to be provided before re-observation for those with poor grades

iii) **Financial Key Performance Indicators**

The Director of Finance presented 2016/17 data including RAG rated indicators for student numbers (3 amber, 1 green), financial outturn (amber), financial health (2 green, 1 amber) and bank covenants (2 red, 1 green) and an actual against budgeted cash forecast for 2016/17. The figures were based on very early data with the first Individualised Learner Record (ILR) return being due late November/early December. The current projection for the year end was a £62k surplus against a budgeted £163k surplus with good financial health. The bank covenant position was that two covenants were in breach, with discussion ongoing. Cash flow was better than expected.

Governors challenged the Director of Finance, asking:

- Would Prince's Trust cohorts help address the full time student shortfall, which the Director of Finance confirmed.
- Which year the potential staff pay award was included in. The Director of Finance confirmed that this had been accrued in the previous year's expenditure.

The Corporation **RECEIVED** the Principal's Report and **MONITORED** progress against targets.

The Chair resumed control of the meeting and thanked the Acting Chair for stepping in.

KEY STRATEGIC ITEM

Audit and Accounts

18.8 Audit Committee Minutes and Recommendations

- i) The Audit Committee Vice Chair reported on the Audit Committee meeting, confirming that the Minutes reflected the work done to support the accounts sign off. The auditors had praised the standard of the accounts and the

Audit Committee wanted to thank the staff for their hard work.

The Corporation **RECEIVED** the Minutes of the Audit Committee meeting on 7 November 2016, noting the Audit Committee's advice.

ii) Audit Committee Annual Report

The Audit Committee Vice Chair confirmed that the Annual Report was a requirement to support the Corporation in approving the Financial statements. It recorded work done by the Audit Committee and the auditors over the year. It would be signed by Kevin Gaffney in his capacity as Vice Chair of the Audit Committee.

The Corporation **RECEIVED** the Audit Committee's Report to the Corporation for the year ended 31 July 2016

iii) Financial Statements Audit

The Director of Finance explained that the Audit Findings Report had not been included in the pack because Grant Thornton had only just released the final version. Paper copies were provided for Members. The changes to the report reviewed and recommended by the Audit Committee related to an issue which had arisen with Eresponse, a former subcontractor for both Colleges. More would be recorded about this in the Confidential Section of the meeting.

The Corporation **APPROVED** the revised Financial Statements Auditor's Audit Findings Report and Audit Representation Letter.

Audit Committee Recommendations

The Corporation **APPROVED** the following items, on the recommendation of the Audit Committee:

- iv) • Internal Audit Annual Report
- v) • Teachers' Pension Statement
- vi) • Audit Committee Terms of Reference – as amended - for issue to the Governor Portal. **CC**
- vii) • Risk Management Annual Report 2015/16
- viii) • Autumn Term 2016 Strategic Risk Register
- ix) • Procurement Report for 2015/16
- x) • KPMG Audit Report to the Skills Funding Agency
- xi) • KPMG Audit Report to the Education Funding Agency

xii) ~~SFA Provider Financial Management & Assurance~~

Clerk's Note: The papers contained a duplicate of a later item in error at this point and comments on this are reflected at 18.18 i). The KPMG Funding Assurance Review Final report, relating to Items 18.8 x) and xi) above will proceed to the next Corporation meeting. **CC**

18.9 College Financial Statements

i) The Director of Finance reported on changes to the draft Financial Statements in the pack:

- Grant Thornton had been informed of the Eresponse issue and the Financial Statement and the Audit Findings Report included contingent liability notes to that effect.
- The Auditors had also provided a form of words for their Audit Opinion which had been awaiting legislation to confirm the change of Principal Regulator for Further Education Colleges from the Department for

Business, Innovation and Skills to the Department for Education.

- ii) A Governor challenged the Reserves Policy note, which stated that the College had an objective to maintain unrestricted reserves at above £6m, as reserves had decreased significantly in the last year. The Director of Finance confirmed that the pension deficit issue, which the College had no control over, had reduced the reserves. This continued to be a volatile situation but the £6m was a college target with no further significance.
- iii) The Vice Principal Corporate & Resources informed Members that although the College would sign the accounts to schedule, the Skills Funding Agency had not provided the Funding Reconciliation Statement to the Auditors due at the end of November 2016 and therefore the accounts would remain with the Auditors pending receipt of that confirmation.
- iv) The Corporation **APPROVED** the College Financial Statements for the year ended 31 July 2016 as recommended by the Audit Committee.

18.10 Subsidiary Company Financial Statements

- i) The Corporation **NOTED** that Molinna Limited and NEWCEL had not traded during the year. Molinna Limited had held its Annual General Meeting (AGM) earlier in the day and the Financial Statements for the year ended 31 July 2016 (noted by the Audit Committee) were approved by the Directors and were available on the Governor Portal. The NEWCEL AGM would follow the Corporation meeting.

18.11 Students' Union Annual Report

- i) The Vice Principal Corporate & Resources presented the Students Union report which summarised activities including training, societies and fundraising. The accounts were in deficit due to a missing NUS payment, which had now been chased and received and would be reflected in the next year's accounts. Governors noted the bright format and the picture of Amber Carrington, the new Student Governor on the front page. Amber confirmed that students had been asked for their input to the report and that it was a good reflection of the range of activities provided.
- ii) The Corporation **APPROVED** the Students' Union Annual Report for the year ended 31 July 2016 and the Students' Union Financial Statements for the year ended 31 July 2016

TEACHING LEARNING AND ASSESSMENT

18.12 Higher Education

i) Academic Board

Fiona Hellowell, the Governor member of the Academic Board, summarised the recent meeting:

- The Quality Assurance Agency (QAA) review was likely to take place between March and May 2017. It would include Higher Education delivery as well as financial stability and wider organisational aspects. The Assistant Principal HE, Standards and Professional and Quality manager were experienced in the field and staff and student understanding and preparation for the visit would start in January 2017.
- HEFCE now required an annual assurance statement from the Corporation, which was included in the papers.
- Staff members were assessing current student recruitment and progression numbers to enable appropriate action to shape the course offer in 2017/18.

Action

- A College wide approach would be adopted to manage plagiarism or cheating, with staff training and clear communication to students.
- Communications to students and staff about 'Boost' – a bursary scheme available to some students – and other forms of financial support would be improved.
- The Higher Education documents in the papers had also been scrutinised by the Academic Board in support of their approval by the Corporation.

The Corporation **RECEIVED** a verbal report from the Academic Board meeting on 9 December 2016.

ii) Higher Education Self Evaluation Document

The Assistant Principal HE, Standards and Professional explained that the Higher Education Self Evaluation Document (HE SED) was built upon similar but more detailed Course Self Evaluation Documents (CSEDs) completed by HE Coordinators, who conducted regular reviews and annual monitoring checks. It also included a comprehensive Action Plan. There was a new Teaching Excellence Framework detailing feedback required by the Government and from this it emerged that the starting salary for a Heart of Worcestershire College Graduate six months after completion was £26k.

Governors challenged the Assistant Principal HE, Standards and Professional asking:

- What was the relationship between employers and Higher Education? Direct enrolment from employers was one of the strengths of the provision. The College was also looking at more direct tailored training.
- How was the quality of the Student experience assured on courses with small numbers? The College was mindful of this risk with small first year cohorts, although there were no second year courses with these concerns. Study units were combined for some year one and two classes to strengthen the cohort. (This did not mean that work was repeated by second years, it was new to both years.)
- Was there a timed implementation plan for the actions? Yes, the Improvement Plan had milestones which would be monitored and auditable. There were also more detailed plans at course level.

The Corporation **APPROVED** the Higher Education Self Evaluation Document.

iii) Higher Education Strategic Plan

The Assistant Principal HE, Standards and Professional explained that HE Strategic Plan covered 2016/17 to 2019/20, taking the final year of the previous strategic plan as a starting point for a new three years plan. It was linked to developments in the wider College Strategic Plan proposals, whilst maintaining a separate entity for the Worcestershire Higher Education Institute. The plan was developed around four sectors: Resource, Innovate, Stimulate, and Excel with the overall theme of R.I.S.E. as a focus for HE provision.

Governors challenged the Assistant Principal HE, Standards and Professional asking:

- How relevant was progression from Further Education to Higher Education? This was part of the Strategic Plan, with a new starting programme and progression routes being developed. Work was needed

with level three students. Progression in computing was strong but there were only two business students from the College Further Education provision. Degree apprenticeships were under consideration as students wanted to enter the world of work.

- Why was there a separate HE Plan, rather than it being an integral part of the College Improvement Plan? The Vice Principal Curriculum & Quality stated that the plans were linked but were used for different purposes. The HE Plan had specific goals for HE staff and would be monitored by Academic Board which would report to Corporation. QAA expected to see a bespoke response to Higher Education issues.
- There were risks in the Apprenticeship Levy and degree level Apprenticeships which did not seem to be reflected in the Strategic Plan. The Assistant Principal HE, Standards and Professional stated that these were indicated in the changes within the plan, with more details at lower levels. The Corporation strategy weekend discussions would also be reflected in the next iteration of the documents, which would be revised in advance of the QAA review.

The Corporation **APPROVED** the Higher Education Strategic Plan.

Debbie Morris, Staff Governor, left the meeting at this point.

iv) Higher Education Improvement Plan

The HE Improvement Plan was an integral part of the HE SED, approved annually by Corporation and monitored by the Academic Board, Senior Leadership Team meetings and Directorate Quality Review meetings. It had a number of main targets for improvement which had been identified from review of National Student Satisfaction survey data, feedback from learners, peer observation feedback and the HE Quality Groups.

Governors challenged the Assistant Principal HE, Standards and Professional asking:

- How do you measure year on year improvement? There were some key indicators to monitor but the method of monitoring would be discussed in more detail with Fiona Hellowell in January 2017. The level of aggregation needed clarifying as there was more underlying detail for specific courses such as business and law.
- How much income did HE generate and was it visible enough to the Corporation? The income was between £4-5m and it would be more visible in future, with a reporting routine via Academic Board and review of progress against Strategic and Improvement Plans.
- Would Governors be involved in the QAA visit? The new arrangements were not yet set. It was likely that there would be student submissions and possibly Governor involvement.

The Corporation **APPROVED** the Higher Education Improvement Plan and **AGREED** that HE Training should be considered by Governance and Search Committee in its review of the annual training plan. **CC**

v) Higher Education Annual Provider Review

There were new funding arrangements for Universities which were now consistent with those for HE providers. The full QAA Inspection was due in 2017 and if the College obtains a full confidence level report from this process it would not require a further review (barring concerns over risk thresholds), for around five years, just an Annual Assurance in the absence of a changed risk profile. In signing the HE Provider Annual Assurance

Statement, the Principal, as Chief Accounting Officer, is confirming on behalf of the Corporation that:

- The governing body has received and discussed a report and accompanying action plan relating to the continuous improvement of the student academic experience and student outcomes. This included evidence from the provider's own periodic review processes, which fully involve students and include embedded external peer or professional review.
- The methodologies used as a basis to improve the student academic experience and student outcomes are, to the best of our knowledge, robust and appropriate.
- The standards of awards for which we are responsible have been appropriately maintained

The Corporation **APPROVED** the Annual Assurance Statement for the Higher Education Funding Council for England for signature by the Chief Accounting Officer and Corporation Chair.

18.13 Teaching, Learning and Assessment

i) Accolades and Complaints

The Corporation **RECEIVED** the Accolades and Complaints Report 2015/16.

ii) Observation of Teaching and Learning

The Vice Principal Curriculum & Quality reported the Observation of Teaching and Learning in greater detail. 78% of the 49 observations resulted in an overall grade 1 or 2. Separate grades were awarded for Attendance and Teaching, Training, Learning and Assessment which was itself broken down into ten themes which were RAG rated. The results of observations informed Continued Professional Development activity for staff.

The Corporation **MONITORED** the outcomes of the Observation of Teaching and Learning for the year to date

iii) College Improvement Plan

The Corporation **NOTED** that progress against the College Improvement Plan was monitored by the Corporation at the 25 – 26 November 2016 Away Event. Progress against the end of January milestones would be reported at a formal Corporation meeting.

CC

In the absence of the Quality Group Chair, Members agreed to move to the next item – Agenda numbering retained

18.15 External Partnerships

i) Subcontracting Performance Report 2015/16

The papers included a report on report subcontracted partner outcomes against their contract (financial) performance, together with their apprenticeship achievement rate performance. Overall, subcontracted partners achieved 83% of their contracted Maximum Contract Values. Apprenticeship achievement rates were split into an overall achievement rate and a timely achievement rate and two partners were under monitoring and review for the current year because of low rates.

Governors questioned:

- Why other partners showing low percentages were not also under

Action

review. The Vice Principal Curriculum & Quality explained that these had low number intakes.

- The Apprenticeship Levy could increase the risk of less worthy subcontractors setting up and seeking to work with the College. How would the College protect itself from damage? The College planned increased promotion around the levy but all new partners go through due diligence checks, the size of new contracts would be limited initially and higher charges were made to provide assurance. The Register application was submitted in time for Levy payers and smaller companies and the outcome was expected in March 2017.

The Corporation **MONITORED** partner performance/ quality outcomes for 2015/16 and **NOTED** that the Quality Group was having a “deep dive” presentation on Apprenticeships on 18 January 2017 and all Members were welcome.

Members

Karen Lowe joined the meeting at this point.

ii) **Employer Satisfaction Survey**

The Corporation **NOTED** that the Employer Satisfaction Survey Results were considered by the Quality Group

18.16 **PEOPLE**

i) **Staff Data - Turnover**

The Vice Principal Corporate & Resources reported that staff turnover was at 18.95%, a reduction from the previous year which also included some merger restructuring. The AoC sector benchmark for 2014/15 was 17.9% but the impact of area review could make the 2015/16 comparator higher. The 144 leavers were fairly evenly split between delivery and learning staff and business support staff, with 3.5% related to management positions. The highest number of leavers (36 in total) had less than a years' service, which was normal due to the use of some temporary short term contracts and staff failing probation. The age profile was fairly static compared with the previous year and the annual Equality and Diversity report for 2015/2016 had confirmed that the College staff ethnic minority representation was reflective of the local community.

Governors asked what proportion of leavers completed exit interviews. The Vice Principal Corporate & Resources agreed to check. They were commonly held as passes, keys and equipment had to be returned.

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The Corporation **MONITORED** staff turnover data for 2015/16.

Members agreed to return to Item 18.14 at this point – Agenda numbering retained

18.14 **Quality Group**

- i) The Quality Group Chair reported that Members had reviewed the origins of the group and its past work and had a comprehensive discussion about Terms of Reference and Agendas. The Quality Group aimed to be reactive, proactive and to respond to issues raised in Corporation meetings. Members had also reviewed Key Performance Indicators and Skills Funding Agency Employer Satisfaction Survey and National Student Satisfaction Survey and reviewed the revised Governor Insight Scheme and Feedback Forms which they recommended to the Corporation for approval. A Governor raised some issues in connection with the Governor Insight

Action

Scheme as recorded below.

The Corporation **RECEIVED** the Notes of the Quality Group meeting held on 15 November 2016 and **NOTED** that all Governors were invited to attend Quality Group meetings.

ii) The Corporation **APPROVED** the Terms of Reference of the Quality Group for issue to the Governor Portal. **CC**

iii) The Corporation **APPROVED** the Governor Insight Scheme **SUBJECT TO** the following changes: **CC**

- Rewording of the "Limitations of the Scheme" section
- Feedback forms to be revised to include a box for feedback to Quality Group

18.16 PEOPLE

ii) Staff Data – Sick Absence

The Vice Principal Corporate & Resources reported that staff sickness in 2015/16 averaged 5.87 days a reduction from 6.38 days in 2014/15 with the AoC sector comparative for 2013/14 being 8.09 days. The decrease was caused through the application of a new policy which used Bradford factor scoring. This more structured approach led to better monitoring and intervention with Departmental issues being picked up earlier and dealt with effectively. Long term sickness was less controllable. The Principal thanked the many colleagues soldiering on through seasonal illness.

Governors asked how high absence costs were addressed. The Vice Principal Corporate & Resources said that cases were treated on an individual basis and that in some areas, such as the nursery, staff could not attend whilst unwell. Trends were monitored for students' benefit. Measures were taken where appropriate to provide equipment etc to help members of staff.

The Corporation **MONITORED** sick absence data for 2015/16.

iii) Health and Safety

Minor changes to the Health and safety Policy were highlighted in the papers and there were no significant changes. Governors asked if there was a gap around "near miss" incidents. (These were included in 1.7) and made several suggestions recorded below.

The Corporation **APPROVED** the revised Health and Safety Policy for 2016/17 **SUBJECT TO**:

- The addition of an introduction to the bullet point at 1.4
- Amendment to reflect reporting of absence to the Health and Safety Manager after three days (not seven) as it would then become recordable under RIDDOR.
- To add the need for Health and Safety considerations when purchasing equipment
- To emphasise the importance of reporting "near miss" incidents

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FINANCE AND MANAGEMENT INFORMATION

18.17 Tender Committee

i) The Corporation **NOTED** the Tender Committee Report on the Special Educational Needs project at Worcester.

18.18 Skills Funding Agency Financial Health Review

i) The Vice Principal Corporate & Resources explained that there was an

Action

issue with the comparative data in the Skills Funding Agency report as it included only Worcestershire College of Technology information prior to the 2014/15 year. The report did support the College Financial Health assessment.

- ii) The Corporation **REVIEWED AND CHALLENGED** the Skills Funding Agency Financial Health Review and College Dashboard.

Signed:

Date:

Sue Frost
Clerk to the Corporation
14 December 2016