

**Minutes of the meeting of the TCAT Corporation**  
**Held on Monday 20 November 2017 from 5:00pm in B.009, Haybridge Rd**

**Present**

Rosie Beswick, Corporation member  
Roger Betteridge, Vice-Chair of the Corporation  
David Gough, Corporation member  
Graham Guest, Corporation member and Principal & Chief Executive  
Paul Hinkins, Chair of the Corporation  
Steve Hogan, Corporation member  
David Lowe, Corporation member  
Candace Miller, Corporation member  
Neil Phillips, Corporation member  
Duncan Varnes, Corporation member  
Jim Welch, Corporation member/Staff governor

**In attendance**

Paul Butler, National Leader in FE Governance (NLG) - observer  
David Malone, Vice Principal – Curriculum & Quality  
Stephanie Morley, Clerk to the Corporation  
Michael Nicol, ESFA representative  
Janet Stephens, Deputy Principal – Finance & Resources

**79/17 1. Welcome and apologies**

The Chair welcomed everyone to the meeting and round-table introductions took place. Apologies had been received from L.Bekker, K.Boffey and L.Lamb.

*Clerk to  
record  
attendance*

The Chair made governors aware of two additional items to be discussed towards to the end of the meeting – the due diligence report from Irwin Mitchell Solicitors, the college's lawyers for the merger, and the Annual HE Quality Assessment.

**80/17 2. Declaration of members' interests**

None received.

**81/17 3. Confidential items**

The following items were agreed as requiring consideration under Confidential session:

*Clerk to  
update  
register*

<b>Agenda item number</b>	<b>Report title</b>	<b>Reason for confidentiality</b>
8.3	Kickstart Head Teacher's report	Instrument 17.2(a) material relating to persons employed at the college AND Instrument 17.2(a) material relating to named students at the college
9	Funding support – approval of terms and conditions	Instrument 17.2(d) material of a sensitive nature

**82/17 4. Minutes of Corporation meetings held 09 October 2017 (A)**

The minutes of the meeting held on 09 October 2017 were agreed as a true record. *Clerk to file*

All actions were reported as completed and matters arising covered by the agenda.

**83/17 5. Merger update**

J.Stephens reported the colleges were now working towards a merger date of 20 December 2017, due to additional due diligence being requested.

Governors asked for confirmation of the lawyers' availability given the timing of the new date. G.Guest confirmed all parties involved had committed to this date and regular meetings were taking place to ensure all was on track.

**84/17 6. Committee updates**

**6.1 Audit Committee**

R.Beswick (Acting Chair) reported the committee would next be meeting on 22 November 2017 and an update would be provided to the Corporation at its next meeting.

**6.2 Finance & Resources Committee (B)**

D.Gough presented his update on the meeting held on 31 October 2017. The Committee had welcomed Martyn Hasell (Director of Finance) to his first meeting and were pleased to hear he would be reviewing the college's contracts to identify potential savings. The 2015/16 and 2016/17 accounts were discussed and would be presented together for signing off by the Corporation in December.

The Committee discussed enrolment figures and how the review of funding bands would both improve both the students' value for money and increase income.

The Committee considered accounts for 2016/17. Non-pay costs were £400k overspent by year-end compared to the approved budget - £300k of this related to assessor costs from employability income streams incorrectly assigned to pay costs throughout the year. At year end the cost was transferred to non-pay but the associated budget remained within pay. The remaining £100k related to an overspend in the Premises budget, mainly telephone costs. It was acknowledged there had been poor controls in the past but this had now been rectified and more effective controls were in place going forward. Overall for 2017/18 a small surplus was forecast; however there were concerns around the AEB which was being closely monitored.

The Committee discussed the management accounts for month ending September 2017. As part of the discussion, the college's contract with Business Watch Guarding Ltd was raised and P.Hinkins was not present during that part of the meeting.

The Committee also recommended the approval of the revised Whistleblowing Policy by the Corporation and were updated on the support being provided to balance the proposed 2017/18 budget for Kickstart.

## GOVERNORS' QUESTIONS AND COMMENTS

Governors asked what was being done to improve the college's control of the Kickstart finances given its role as sponsor for the multi-academy trust (MAT). G.Guest explained, like the college, Kickstart had been through a considerable period of change and, although the college would benefit from having more hands-on involvement in financial management, these decisions would need to be taken by the MAT's own governing body.

As Chair of Kickstart, R.Betteridge explained the Kickstart governing body had taken the decision to outsource the finance work to Telford & Wrekin Council around 12 months ago as it was what had been required at the time. He confirmed the board would consider any proposals to improve the provision of financial services to the MAT. Any changes would need to be mindful of notice periods and be implemented through a service level agreement.

Governors were reminded of the governance relationship between the TCAT Corporation and the Kickstart MAT governing body – three TCAT governors (currently R.Betteridge, D.Gough and N.Phillips) were appointed as members of Kickstart by the TCAT Corporation; two of these members served as Directors of Kickstart, along with the remaining members of the Kickstart governing body (staff, stakeholders and community representatives).

*Principal/  
Deputy  
Principal to  
action*

It was noted new members of Kickstart needed to be appointed by the Corporation post-merger as two of the three members would not be serving as governors on the Telford College Corporation.

*Chair/Clerk  
to action*

### 6.3 Quality & Standards Committee

R.Betteridge presented his update on the meeting held on 15 November 2017.

Employer Survey – the Committee received the results from the independent national survey of employers with apprentices. Satisfaction with the college had improved since the previous year and was now above national average. The survey had identified several areas where the college could perform better – overall efficiency, communication and ability to influence training structure, content and delivery.

Quality Strategy – the Committee received an update on the implementation of the new methodology for improving the quality of teaching and learning across the college. The feedback from staff had been positive across both campuses and proactive requests for support were being received.

KPI report – the Committee received the report for 2016/17, the majority of which had been reported to the Committee/Corporation previously. It was noted the process for reporting performance was

being reviewed for the merged college and would look very different from the format used during 2016/17.

QAA Review – the Committee considered the formal response from the Higher Education Council for England (HEFCE) to the QAA Review in April 2017 and discussed the action plan being produced.

Safeguarding – the Committee considered the annual safeguarding report and revised policy, which were both recommended for approval by the Corporation.

#### GOVERNORS' QUESTIONS AND COMMENTS

Governors asked if the Employer Survey had identified any strengths for the college. D.Malone confirmed professionalism, delivery and flexibility as the college's strengths in relation to apprenticeships.

#### 6.4 Safeguarding and Equality, Diversity & Inclusion Committee (Bii)

R.Beswick (Chair) reported the committee would next be meeting on 12 December 2017 and an update would be provided to the Corporation at its next meeting.

#### 85/17 7. Principal's report (C)

G.Guest presented his report.

Enrolment – since the production of the report, the actual figure for 16-18y enrolments had reduced from 1258 to 1254. Overall the target for the Haybridge campus was on track to be achieved but the number of withdrawals had been disappointing. To investigate the reasons behind these, the Vice Principal had met with students to analyse possible reasons and prevent future withdrawals. An action plan to respond to early concerns around AEB enrolment was being produced; HE enrolments had 'over-performed' and apprenticeship enrolment was being constantly monitored as enrolment was all year-round.

Assessment/Quality Strategy – G.Guest reported how the new methodology was being implemented and was supported both internally and externally. The Quality Support Meetings (QSMs) were in place and exploring key issues across curriculum areas.

Attendance – although attendance was 89.2% overall, it was still under the college target of 90%. Focus was being placed on those courses where attendance was below target level.

Achievement – the college had received feedback nationally about the 2016/17 results for English and maths, in particular how both had been significantly better than the national average and the low percentage of students starting at the college with A\*-C at GCSE (43%). A newly published report was circulated for governors' information with comparisons of performance against previous years and national averages.

The Principal also updated the Corporation on:

- Preparation for the open evening on 21 November 2017
- Employer engagement events held over the last month,

- including the Bank of England briefing
- Strategic planning sessions with the Executive Leadership Team
- The departure of A.Beckett, Director of Resources

## GOVERNORS' QUESTIONS AND COMMENTS

Governors congratulated the staff team on the distance travelled by the college in terms of student achievement and acknowledged the positive impact this had on students' lives.

Governors noted the interest in higher/degree-level apprenticeships, particularly in the healthcare sector, where the vast majority were Level 5 or above. The introduction of the Apprenticeship Levy meant employers would be keen to develop their existing staff team.

Governors also noted the significant number of students starting at the college without A\*-C in GCSE English and maths – 43%, which was 9% more than the national average. This was a countrywide problem in areas of deprivation and unfortunately no additional funding had been made available within FE to address this.

The Chair thanked the Principal for his report.

### 86/17 8. **College reports and policies**

#### 8.1 **Safeguarding Students – the college's annual report for 2016/17**

D.Malone presented the report, which had been discussed at the recent Quality & Standards Committee meeting and was recommended for approval by the Corporation.

R.Beswick (lead governor for Safeguarding) reported a lot of work had taken place to ensure all aspects and duties were covered as a result of the management restructure over the summer. The focus would now be on the integration of the two colleges' staff teams and the relocation of sixth form provision onto the Haybridge campus post-merger. She also reported the local authority had provided positive feedback about the college in relation to its safeguarding duties towards its learners.

The Corporation APPROVED the Safeguarding annual report.

#### 8.2 **Safeguarding Policy**

D.Malone presented the revised policy, which had also been discussed at the recent Quality & Standards Committee meeting and was recommended for approval by the Corporation. The policy had been updated to remove the detailed procedures from the policy itself.

The Corporation APPROVED the revised Safeguarding policy.

### **\*\*CONFIDENTIAL SESSION\*\***

The remainder of the meeting was held during Confidential session.

### 8.3 Kickstart Headteacher's Report

The Principal presented the Headteacher's report to the Corporation. It was acknowledged the Corporation had not received regular updates from Kickstart, which it should have done in its role as sponsor to the Kickstart multi-academy trust (MAT).

Referring to the reports within the meeting papers, it was reported the MAT had made a small surplus in 2016/17 and the detailed budget for 2017/18 was still being determined. Both would be formally agreed by the Kickstart Finance Committee at its meeting on 12 December 2017.

A discussion took place around the background to Kickstart, the MAT structure and the college's role within that. The Clerk informed the Corporation she would be responsible for the clerking of the Kickstart MAT from January 2018 and there would now be much more regular reporting into the Corporation.

## **87/17 9. Merger - Funding support and Due Diligence**

### 9.1 Funding support - TU Terms & Conditions

J.Stephens presented her report to the Corporation, which outlined the terms and conditions for the approved CFAD application from the Transaction Unit (TU). They had been discussed and approved by the NCT Corporation on 14 November 2017.

She reported the TU had approved all that had been asked for and was a combination of grant, conditional grant, term loan, additional amount and contingent liability (as detailed in the report).

It was noted, as part of the terms and conditions, the TU would take the following security – 2<sup>nd</sup> legal charges over all property assets and to be subject to a deed of Priority agreed by the Lender. This was being reviewed by the college's lawyers. It was also noted the TU had reserved the right to ask for repayment if the college benefitted from a significant financial windfall.

The remaining financial covenants were discussed. The Conditions Precedent, including standard legal and financial documents, had been pulled together by 17 November 2017, with the exception of the KPIs from the TU which would be supplied imminently. A deadline of 08 December 2017 was being worked towards in order to ensure everything was on track to merge on 20 December 2017.

The Conditions Subsequent, as outlined in the report, were a list of requirements the college would need to meet (a mixture of financial reporting and key milestones of the CFAD plan). One of those conditions was the engagement of a 'Turnaround Director' for a period of 12 months – the scope for this role was currently under discussion and it was noted the college needed to ensure best value for money from this post as it would need to find additional funds to pay for the support.

## **GOVERNORS' QUESTIONS AND COMMENTS**

Governors asked whether the college's year-end would need to be

changed. It was confirmed this would remain the same (31 July).

Governors asked for clarity around the conditional grant and what would be the triggers for it becoming a loan. J.Stephens explained this would be based on KPIs assigned to the college. Governors stressed the need for this to be very clear and suggested it would be fairer for this to be based on a cumulative basis. J.Stephens agreed to explore whether this could be incorporated.

*J.Stephens  
to action*

It was noted the interest rate, if converted into a loan, would be 3% above the base rate, which could possibly be different from today's rate. However, as this would need to be drawn down, it was acknowledged this would be referred back to the Corporation and therefore the interest rate would be clarified at that point.

The Chair thanked J.Stephens for her report and reminded governors they were asked to approve the terms and conditions within the report.

The Corporation APPROVED the Outline Terms and Conditions.

## 9.2 Due Diligence report (Irwin Mitchell)

J.Stephens circulated the Due Diligence report recently received from Irwin Mitchell. She acknowledged the amount of material for governors to digest and offered for governors to contact her with any detailed questions.

The Corporation NOTED the progress outlined in the Due Diligence report from Irwin Mitchell.

## 9.3 Formal agreement for merger

Following on from approvals at previous Corporation meetings and the items discussed above, the Corporation was asked to formally approve the merger with New College Telford.

The Corporation APPROVED the merger with New College Telford and taking on all assets and liabilities of New College Telford on merger.

In order to prevent any delay to the merger, governors were asked to delegate authority to a group of appointed governors to work with the Principal and Deputy Principal to action/resolve any further issues or requests.

The Corporation APPROVED the delegation of authority to a group of governors to work with the Principal and Deputy Principal to action/resolve any further issues or requests.

The Corporation APPROVED D.Gough, P.Hinkins and N.Phillips as the governors forming the group.

## 88/17 10. Any other business

### 10.1 HE Quality Assurance Statement

D.Malone explained the college was required to submit an annual statement of quality assurance for HE to the Higher Education Funding

Council for England (HEFCE).

D.Malone presented his report to governors and reminded them of the QAA Review earlier this year, where the review had formed the judgement of 'limited confidence' for the college. He discussed with governors the main areas for improvement and the action plan in place to address those (contained within the circulated report).

D.Malone explained the quality of HE provision had fluctuated in recent years and had been considered as a bespoke addition to the college's offer. This had been evidence through the outcome of the QAA Review and the recommendations around governance and student involvement. The college was committed to developing the quality of HE through embedding it across college culture and ensuring its presence at all levels of the organisation. Progress reports for the implementation of the action plan would be provided to the Corporation on a regular basis.

The Chair thanked D.Malone for his report. Governors were asked to approve and sign the Annual Quality Assessment return statement based on the report provided.

The Corporation RECEIVED and APPROVED the Annual Quality Assessment return

The Corporation APPROVED the signing of the statement by the Chair on behalf of the Corporation.

**89/17 11. Date of next Corporation meeting**

Due to the delay to the merger and the need to sign off the college's accounts, a Special meeting of the TCAT Corporation had been scheduled for 5:00pm on Monday 18 December 2017.

The meeting concluded at 6:30pm.