

Minutes - APPROVED



Meeting	Corporation
Date	10 December 2018
Time	5:00pm
Venue	E2.01

Corporation members present (specific attendance indicated in brackets)	In attendance (specific attendance indicated in brackets)	Apologies
Paul Birch Gail Bleasby, Vice Chair Lindsey Ellis, Student governor (Items 1-12, 16) Graham Guest, Principal Paul Hinkins, Chair Neil Phillips Manny Uppal, Student governor (Items 1-12, 16) Jim Welch, Staff governor (Except Item 14)	Martyn Hasell, Director of Finance (Items 1-7) Katherine Kynaston, TWC (Items 1-12, 16) Stephanie Morley, Clerk to the Corporation Michael Nicol, ESFA (from Item 8) Mike Rowley, KPMG (Items 1-7) Janet Stephens, Deputy Principal	Rosie Beswick Kerry Boffey Anna Brennand Geoff Layer Chris Pallett

No.	Item	Action										
CORPORATION BUSINESS												
1.	Welcome, introductions and apologies											
	The Chair welcomed everyone to the meeting, in particular P.Birch, L.Ellis and M.Uppal who were attending their first meeting. Apologies had been received from R.Beswick, K.Boffey, A.Brennand, G.Layer and C.Pallett.	<i>Clerk to update register</i>										
2.	Declarations of Interest											
	The Clerk reported no declarations had been received in advance and the following standing declaration was noted: - P.Hinkins, as Director of Business Watch Guarding	<i>Clerk to update register</i>										
3.	Confidential matters											
	It was agreed there was a need to hold the following items in Confidential session for the given reasons:	<i>Clerk to update register</i>										
	<table border="1"> <thead> <tr> <th>Item/report</th> <th>Reason</th> </tr> </thead> <tbody> <tr> <td>13 – Pay award and harmonisation</td> <td>17.2(d) – any matter, by reason of its nature, should be dealt with on a confidential basis</td> </tr> <tr> <td>14 – Partnership updates</td> <td>17.2(d) – any matter, by reason of its nature, should be dealt with on a confidential basis (commercial sensitivity)</td> </tr> <tr> <td>15 – Property disposal strategy</td> <td>17.2(d) – any matter, by reason of its nature, should be dealt with on a confidential basis (commercial sensitivity)</td> </tr> <tr> <td>19 – Approval of minutes of confidential session (05/11/18)</td> <td>17.2(d) – any matter, by reason of its nature, should be dealt with on a confidential basis</td> </tr> </tbody> </table>	Item/report	Reason	13 – Pay award and harmonisation	17.2(d) – any matter, by reason of its nature, should be dealt with on a confidential basis	14 – Partnership updates	17.2(d) – any matter, by reason of its nature, should be dealt with on a confidential basis (commercial sensitivity)	15 – Property disposal strategy	17.2(d) – any matter, by reason of its nature, should be dealt with on a confidential basis (commercial sensitivity)	19 – Approval of minutes of confidential session (05/11/18)	17.2(d) – any matter, by reason of its nature, should be dealt with on a confidential basis	
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4.	Minutes of the last meeting and matters arising											

<p>4.1</p> <p>4.2</p>	<p><u>Minutes of the last meeting</u> The minutes of the meetings held 05 November 2018 were APPROVED as a true record.</p> <p><u>Matters arising report</u></p> <p>Ref Apr18-02 – the combined performance report was in development and would be aligned to the quarterly reporting to the TU. It was confirmed the first report would be presented to the Corporation in February 2019.</p> <p>Ref Oct18-03 – a Corporation discussion around the move to ungraded teaching had been incorporated into the forward plan for 2019.</p> <p>Ref Nov18-08 – JS confirmed employers’ critical incident risk assessments were not currently undertaken but would be implemented by the new Director of Employer Engagement & Apprenticeships.</p>	<p><i>Clerk to file</i></p>
FINANCIAL HEALTH		
<p>5.</p>	<p>Annual report of the Chair of the Audit Committee</p> <p>In the Committee Chair’s absence, the Clerk introduced the report and highlighted the key points within the cover report. She informed the Corporation the report had been presented to the Audit Committee at its meeting on 13 November 2018 and then subsequently by email. She explained it was a requirement for the Corporation to receive the Audit Committee report prior to considering the annual accounts for approval. There were no questions from the Corporation.</p> <p>The Corporation NOTED the report from the Chair of the Audit Committee.</p>	
<p>6.</p>	<p>Telford College annual audited accounts 2017/18</p> <p>M.Hasell presented the draft accounts 2017/18 for approval, which incorporated:</p> <ul style="list-style-type: none"> - Telford College consolidated accounts - Telford College Enterprises (dormant trading company) - Shropshire College Hotel School Ltd (The Whitehouse Hotel operations) - Shropshire College Management Ltd (The Whitehouse Hotel property) - New College Telford (for the short period 01/08/17 to 20/12/17) <p>M.Hasell explained the consolidated accounts had been prepared under merger accounting principles, as if TCAT and NCT were merged for the whole year. He reported, taking into account pension adjustments, the accounts reconcile to the year-end outturn presented to the Corporation and were not materially dissimilar.</p> <p>M.Hasell informed the Corporation the accounts were in draft format as the final proof read had yet to take place. The audit had progressed well and no material changes were expected. The main areas where there were still issues to be resolved related to the hotel subsidiary companies.</p> <p>M.Rowley, as the representative of the college’s external auditor – KPMG, informed the Corporation there would be no significant financial control issues reported within the management letter. The main concern for KPMG had been the lack of readily available information on the hotel subsidiary companies.</p> <p>The Corporation asked whether the filing deadline would be met and whether an unqualified opinion would be given. M.Rowley confirmed this would be the case for</p>	

	<p>the Telford College and NCT accounts; however he could not be certain about the hotel subsidiary accounts as they were awaiting information from another party. He confirmed the opinion for the Telford College accounts would be unqualified and hoped this would be the case for the subsidiaries.</p> <p>The Corporation asked whether the level of loss that year was a concern. M.Rowley confirmed it was not a concern as it was very close to what had been expected and was within the forecast. The Chair noted the college would be moving towards a 2-year financial forecast in future to enable the Corporation to have a better understanding of when the college would move into a more cash flow neutral and then positive position. J.Stephens informed the Corporation a growth strategy proposal would be presented at its meeting in February 2019.</p> <p>Due to the draft nature of the accounts, the Corporation NOTED the five set of draft accounts and APPROVED the delegation of the signing of the college's accounts (as listed above) to the Chair and Principal/Chief Executive:</p> <ul style="list-style-type: none"> - Following minor tweaks of the Telford College accounts as a result of the final proof read; and - Following the outcome of the subsidiary review, subject to no major changes being made to the subsidiary accounts. 	<p><i>Deputy Principal to present proposal</i></p> <p><i>Chair & Principal to sign</i></p>
7.	Management accounts to October 2018	
	<p>M.Hasell presented the management accounts for the period ending 31 October 2018, the presentation of which had been updated to reflect recent discussions. He highlighted the following:</p> <ul style="list-style-type: none"> - Operational surplus was approximately £300k, which was just over £100k favourable to budget - Additional income had been received through additional AEB allowance and a successful 16-19 business case for more ESFA funding - Key risks were AEB, apprenticeships and HE - Pay costs were currently under-budget but were due to increase due to the annual increase in National Living Wage in April 2019 <p>Key risks were highlighted as:</p> <ul style="list-style-type: none"> - Apprenticeships: The new Employer Engagement & Apprenticeships Director started in post on 03/12/18 and was focused on improvement strategies - AEB: income was adverse to budget this quarter but was expected to catch up over Quarter 2 <p>Changes to cash flow projections had been caused by:</p> <ul style="list-style-type: none"> - Delayed CapEx spend; - Delayed asset sales; and - A more prudent approach <p>The Corporation asked how much confidence there was with the mitigating actions for apprenticeships income being presented to the Corporation at its next meeting. G.Guest explained the decline in apprenticeships enrolment was a national issue, with a drop of 24% across the country; however the college had bucked the trend regarding SMEs. The new Director of Employer Engagement & Apprenticeships was formulating a strategy and would be presenting this to the Corporation.</p> <p>The Corporation asked if the income could be brought back in line with the target by year-end. J.Stephens reported some of the loss would be recovered but not the full amount of £431k.</p>	<p><i>Clerk to add to forward plan/agenda</i></p>

	<p>assessment were generally pockets of inconsistency, rather than widespread problems, such as differentiation within the classroom.</p> <p>The Corporation agreed the SAR was an honest assessment and acknowledged the difficulty with identifying good practice after going through major challenges, alongside rapid pace of change. The addition of case studies was suggested as a means of evidencing good practice and outcomes for students.</p> <p>The Corporation was keen to hear the student governors' thoughts on differentiation and 'stretch & challenge' within the classroom. L.Ellis reflected on her experience, stating she felt she was challenged and this played an important role in enabling students to progress. M.Uppall reinforced this, praising the support he received from his teacher and the quality of teaching materials.</p> <p>As a new member of the Corporation, P.Birch noted how useful the SAR was as an introduction to the college. He asked what would happen next with the document and how benchmarking had been incorporated into the process. G.Guest explained once the SAR had been approved it would be uploaded onto an online portal, where it could be accessed by external stakeholders such as the ESFA and Ofsted. With regards to benchmarking, G.Guest noted the external specialist was a former regional director of Ofsted and he would continue his involvement with the college by working with managers to produce the QIP. He suggested T.Noonan be invited to a meeting of the Corporation to discuss the areas for improvement in more detail.</p> <p>The Corporation asked whether students had been involved in the SAR process. G.Guest replied they had not as much as he would have liked and wanted to improve this for future processes. L.Ellis agreed this was important. She welcomed the opportunity to contribute the Learner Voice into the process and generally improve mechanisms for addressing and agreeing ownership of issues.</p> <p>J.Welch noted the lack of confidence and difficulty with identifying good practice was understandable. From recent sessions, stability was a consistent message from staff and this was still lacking. This was acknowledged by the Corporation, as was the challenging context and ever-changing policy within the education and training sector.</p> <p>The Corporation thanked J.Stephens for presenting the document and APPROVED Telford College's Self-Assessment Report (SAR) for 2017/18.</p>	<i>Principal to arrange</i>
9.	Reports from the Audit Committee	
	<p>In the Committee Chair's absence, the Clerk presented this item.</p> <p>9.1 <u>Update from the meeting held 13 November 2018</u> The Corporation was informed of the key items discussed at the meeting, namely Items 9.2-9.5.</p> <p>9.2 <u>Internal audit annual report 2017/18</u> The report had been circulated for members' information. There were no questions from Corporation members.</p> <p>9.3 <u>Confidential status on minutes review</u> As per the Corporation's decision to delegate this responsibility at its last meeting, the Audit Committee discussed the Confidential status of Corporation and Audit Committee minutes from 2017/18. The Committee had agreed any matters that related to previous/existing employees or were not yet fully resolved would remain confidential. The following was therefore approved by the Committee:</p>	

Meeting	Reason for confidential status	Agreed action	Reason for decision
Corporation 05/02/18	Relating to person(s) employed by the college	Retain confidential status	Relates to senior post holder employment
Corporation 26/03/18	Matter of a sensitive nature	Remove confidential status	Matter communicated soon after meeting
Corporation 14/05/18	Matter of a sensitive nature	Retain confidential status	Funding matters still ongoing
Corporation 04/06/18	Matter of a sensitive nature	Remove confidential status	Transformation programme launched
Audit 18/06/18	Relating to person(s) employed by the college	Retain confidential status	Relates to a person previously employed by the college
Corporation 17/07/18	Matter of a sensitive nature	Retain confidential status	Matter still ongoing

9.4 Risk management annual report
The report had been circulated for members' information. There were no questions from Corporation members.

9.5 Membership
The Clerk referred the Corporation to her report and requested they approve the recommendation to appoint P.Birch as a member of the Audit Committee.

The Corporation APPROVED P.Birch as a member of the Audit Committee.

Clerk to implement

STUDENT EXPERIENCE

10.	<p>Attendance and retention</p> <p>G.Guest presented the attendance and retention report. He reported the latest figures had caused some concern as, compared to last year, attendance across all the main areas of the college had decreased. Two main reasons for this had been identified – errors in timetabling after the incorporation of different break times and errors when combining data. G.Guest reported current data showed attendance was now improving across all areas and there were some courses where attendance was over 90%. The main areas of concern were Sport, Health and Construction, which were now in 'intensive care'. There were also some concerns around attendance during English and maths. The Interim Assistant Principal was working with the E&M Learner Manager to put in place strategies for improving attendance.</p> <p>College-wide strategies for improving attendance included circulating photographs of serial absentees amongst the staff and discussion at the parents' consultation evening, the most recent being a successful event with over 200 parents attending. Focus would now move to attainment in January 2019, as units had now been completed, and the impact on attainment of reduced attendance would be assessed.</p> <p>CORPORATION QUESTIONS/COMMENTS</p> <p>The Corporation asked for further information about the impact of the timetabling changes on attendance. G.Guest explained some of the changes had caused confusion and some students were unclear about the location of their lessons.</p> <p>The Corporation asked how timetables were communicated. L.Ellis explained they were made available to students via ProPortal and also included information about</p>
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	<p>students' attendance and punctuality. M.Uppal added the system had not been operational at the beginning of term so students had been emailed their timetables, with updates where clashes had been identified. G.Guest added if timetabling changes were not properly thought through, the implications could be considerable. The Corporation asked if the problems had now all been resolved – G.Guest confirmed they had.</p> <p>The Corporation noted the impact reduced attendance could have on those students with good attendance and asked if there were timely consequences. G.Guest explained this was addressed through rewarding positive behaviour/good attendance.</p>	
11.	Safeguarding update	
	<p>G.Guest presented the report, explaining the college continued to have less reported issues but with more incidences involving behavioural issues. Reported mental health-related incidents were significantly less than this point last year but how the college supported its students with mental health issues remained a priority, as it did nationally. He advised next year's reports would be much more robust as like-for-like comparisons could be made.</p>	
12.	HE Annual assurance statement	
	<p>G.Guest informed the Corporation the submission of an annual HE Assurance Statement was a new requirement of registration with the Office for Students and confirmed the college's first submission had been made. Overall, the statement represented a positive picture and an action plan would be developed to make further improvements. It was noted HE followed a different quality cycle and inspection regime from that of the rest of the college; therefore HE assessment and improvement planning was separate from the SAR/QIP process.</p>	
PEOPLE & PLACES – CONFIDENTIAL ITEMS		
13.	Pay award and harmonisation – CONFIDENTIAL ITEM	
	<p>J.Stephens presented the report setting out pay award and harmonisation proposals.</p> <p>The Corporation:</p> <ul style="list-style-type: none"> - NOTED the harmonisation proposal; and - APPROVED the recommended 2% pay award (excluding ELT and SLT members) for 2018/19 	<i>Deputy Principal to action</i>
14.	Partnerships and projects update – CONFIDENTIAL ITEM	
	<p>J.Stephens updated the Corporation on a number of collaborative projects the college was involved/considering involvement in.</p>	
15.	Property disposal strategy – CONFIDENTIAL ITEM	
	<p>J.Stephens updated the Corporation on the sale of the King St campus and The Whitehouse Hotel.</p> <p>Due to the significant delay to the completion of the King St campus sale, the Corporation APPROVED the placement of the King St campus on the open market in January 2019.</p>	<i>Deputy Principal to action</i>

DISCUSSION

16. Strengthening governance

The Chair presented the report and talked through the following key issues:

- The move from a committee model to a limited committee/Carver model of governance following the merger;
- The introduction of the time-limited Finance Focus Group (FFG) to continue the detailed monitoring of the college's finances but with ultimate responsibility lying with the Corporation;
- The timeliness of reviewing the need for the continuation of the FFG after being in place for 12 months and a more positive financial outlook; and
- The likely ending of the regular case conferences with ESFA and FE Commissioner colleagues

In light of the above, members of the FFG had developed the following proposal to strengthen financial oversight and provide assurance while allowing discussions at Corporation-level to remain strategic:

- The meetings of the FFG would cease in January 2019;
- From February 2019, the monthly management accounts would be reviewed by the link governor for finance approximately two weeks prior to the next Corporation meeting;
- On reviewing the accounts, if there were matters/issues to address, this would be done between the Director of Finance and link governor prior to the Corporation meeting;
- If not resolved or are of concern, the link governor would report these to the Corporation at its next meeting;
- The Corporation would be sent the monthly management accounts with their meeting papers, as per the current arrangement; and
- Internal case conferences involving the Chair and ELT would be put in place once those involving the ESFA/FE Commissioner team had ended

The Corporation acknowledged the positive contribution both the FFG and the case conferences had made over the last 12 months and asked how issues identified through the proposed internal case conferences would be reporting to the Corporation. It was clarified the Chair would be part of these sessions and issues/concerns would be reported to Corporation on an exception basis. This would enable the more deep-dive reviews to be undertaken before board-level discussions took place.

M.Nicol reported, based on the college's delivery of the financial plan to date, a light touch approach from the ESFA was being implemented; however the college would need to continue that improvement to avoid triggering further intervention. He noted the college had successfully implemented the 'Turnaround Director' role post-merger and he was keen to see if this would continue with the new arrangements. G.Guest explained he had planned to discuss how the college's relationship with the Transition Director would continue once the decision regarding FFG had been made by the Corporation.

The Corporation acknowledged the benefit of external scrutiny with respect to the case conferences to date and also the need to ensure all Corporation members take responsibility for financial oversight and not rely on the Finance link governor to do this on their behalf.

The Corporation APPROVED:

	<ul style="list-style-type: none"> - The Corporation formally approves the removal of the Finance Focus Group following its meeting on 22 January 2019 and implements the new arrangement outlined from February 2019; and - The Corporation adopts the implementation of internal case conferences once those with the ESFA have ended. 	<i>Clerk to implement</i>
FINAL BUSINESS		
17.	Reflection/self-assessment and risk awareness	
17.1	<u>Reflection and self-assessment</u> As one of the new student governors, L.Ellis thanked the Corporation for the opportunity to contribute the student perspective to the Corporation's discussions and looked forward to this continuing.	
17.2	<u>Risk awareness</u> It was agreed the challenges identified during the audit of the hotel subsidiary accounts should be captured as a risk.	<i>Deputy Principal to add to register</i>
18.	Any other business	
	<p>The Chair noted this would be M.Nicol's last meeting. On behalf of the Corporation he thanked M.Nicol for his support and the invaluable stretch and challenge he had provided during what had been a very difficult time for the college.</p> <p>There was no further business.</p>	
19.	Minutes of the last meeting (Confidential session)	
	The minutes of the Confidential session during the meeting held 05 November 2018 were APPROVED as a true record.	<i>Clerk to file</i>

The meeting closed at 7:55pm