

Minutes – APPROVED

Meeting	Corporation
Date	24 February 2020
Time	5:00pm
Venue	E2.01



Governor	Present	Apols	ITEM																		
			1	2	3	4	5	6	7	8	9	10	11	12	13	14					
Rosie Beswick	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				
Paul Birch		✓																			
Louise Biffin	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				
Dan Blasczyk (Staff)	✓				✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				
Gail Bleasby, Vice Chair	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				
Corin Crane	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				
Wendy Farrington-Chadd	✓							✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				
Graham Guest, Principal	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				
Paul Hinkins, Chair	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				
Ben Johnson (Student)	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				
Geoff Layer	✓								✓	✓	✓	✓	✓	✓	✓	✓	✓				
Charlie Leivers (Student)	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				
Ruth Matthews	✓							✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				
Chris Pallett		✓																			
Gavin Real (Staff)	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				
Attendees																					
Laura Arscott									✓	✓											
Stephanie Morley			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				
Janet Stephens			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				
Peter Stone										✓											
Rachael Wilson											✓										

No.	Item	Action
CORPORATION BUSINESS		
1.	Welcome, introductions and apologies	
	The Chair welcomed everyone to the meeting. Apologies had been received from P.Birch and C.Pallett.	<i>Clerk to update register</i>
2.	Procedural matters	
2.1	<u>Declarations of interest</u> The Clerk reported no declarations had been received in advance and the following standing declarations were noted: - P.Hinkins, as Managing Director of Business Watch Guarding and Deputy Chair of the Marches Local Enterprise Partnership - G.Layer, as the Vice Chancellor of the University of Wolverhampton	<i>Clerk to update register</i>
2.2	<u>Confidential matters</u> It was agreed there was a need to hold the following items in Confidential session:	

	Item/report	Reason	
	14 – Minutes of the Confidential session and matters arising	17.2(d) – any matter, by reason of its nature, should be dealt with on a confidential basis (general)	<i>Clerk to update register</i>
3.	Minutes of the last meeting and matters arising		
3.1	<u>Minutes of last meeting</u> The minutes of the meeting held 16 December 2019 were APPROVED as a true record.		<i>Clerk to update register</i>
3.2	<u>Matters arising</u> The Clerk referred the Corporation to the Matters Arising report and stated there were no further updates.		
4.	KPI dashboard		
	<p>J.Stephens circulated an updated version of the spreadsheet, where the direction of travel/RAG-rating had been corrected but the data had not changed. She presented the monthly report and highlighted:</p> <ul style="list-style-type: none"> - Apprenticeship numbers were amber-rated due to being part-way through the year and ongoing enrolment - ESFA-funded learner numbers and HE enrolments continued to be red-rated - Retention was rated as green, with YTD figures being above target and higher than the same point last year - Although lower than target and decreasing slightly since the last report, student attendance continued to be higher than this time last year - Both estates utilisation (green) and class sizes (amber) had again improved - The gross margin by course was currently being calculated and would be added into the next report <p>CORPORATION QUESTIONS/COMMENTS</p> <p>The Corporation asked if the reasons for the slight attendance downturn was known. G.Guest explained there was a sector tradition of attendance decreasing after the Christmas break. No specific reasons had been identified but it was being closely monitored.</p> <p>The Corporation asked how the average class size could increase if the student numbers were lower than anticipated. J.Stephens explained this was due to being more efficient and combining/collapsing classes where appropriate.</p> <p>The Corporation asked for clarification regarding the use arrows/colours within the report. It was confirmed the RAG-rating referred to performance against target and the arrows indicated direction of travel since the previous report.</p> <p>The Corporation asked if there were financial penalties for not achieving attendance targets. J.Stephens confirmed there were not but it was important as attendance was a good indicator of achievement.</p>		
FINANCIAL HEALTH			
5.	Management accounts to 31 December 2019		
	L.Arcott presented the management accounts for the period ending 31 December 2019. She reported an overall positive variance of £354k between the actual and budgeted surplus for the period ending 31/12/19.		

Key risks:

Forecast outturn (**Green**): the forecast outturn remained a surplus of £514k.

Apprenticeship income (**Amber**): a target of £3.1m had been set, which relied on the monthly improvement targets being met. Recent analysis showed the January target had not been met.

AEB income (**Green**): income was £37k favourable to budget YTD and had been raised to green status. Partnership delivery was now underway in Greater London and further opportunities with the WMCA was being explored.

HE income (**Red**): YTD income was £91k adverse to budget, with an expected year-end shortfall remaining at £367k.

Pay costs (**Green**): costs were currently £209k favourable to budget. This was partly due to vacancies being filled late and budgeting against a cost of living increase not yet agreed/awarded.

Cash (**Amber**): the cash balance as at 31/12/19 was £1.706m. A reconciliation payment had been received for over-achievement of the 2018/19 AEB budget allocation. IT capital costs would be fully paid in January after project completion. Low cash points were anticipated in March/April 2020; however, use of the agreed overdraft was not expected.

Whitehouse Hotel (**Green**): The sale (Lot 1) completed on 10/01/20.

TU KPIs (mainly **Green**): the KPI relating to CFADS would be updated following the implementation of the new finance model.

Bank covenants (**Amber**): rated amber due to the technical breach outside the college's control, as reported previously.

J.Stephens informed the Corporation meetings with the bank continued to be positive and they were comfortable with the college's position. Following part-repayment of the bridging loan, the bank was looking to restructure the college's loans to a single long-term loan and agree new covenants.

CORPORATION QUESTIONS/COMMENTS

The Corporation asked how much of the bridging loan was outstanding. J.Stephens reported, after the repayments resulting from property disposals, the remainder would be approx. £400k and would form part of the restructured long-term loan.

The Corporation asked for clarification around the in-year low pay-to-income ratio. J.Stephens explained income fluctuated throughout the year. The year-end forecast was therefore the key measure and the 2019/20 target was due to be achieved.

The Corporation noted the apprenticeship enrolment target had not been met for January 2020 and asked if the amber-rating would be affected. G.Guest explained the income impact was currently being confirmed, as income differed according to apprenticeship type. An update would be provided at the next meeting.

The Corporation referred to the college's only red-rated risk – HE income and how it had been under target for several years. G.Guest explained HE enrolment was a

*Director of
Finance to report*

	<p>national problem and this was being explored through the curriculum planning process. It was also noted the enrolment figures did not take into account non-academic Level 4+ courses, although classed as higher education.</p>	
<p>6.</p>	<p>New ESFA funding model for colleges</p>	
	<p>L.Arscott presented the new Integrated Finance Model for Colleges (IMFC), which required approval by the Corporation prior to submission to the ESFA before the end of February 2020. She explained the intention of the introduction of the IFMC had been to rationalise reporting and help the ESFA identify early signs of declining financial health.</p> <p>The IFMC would replace:</p> <ul style="list-style-type: none"> - The finance return (submission of audited financial statements by 31 Dec); - The financial plan (submission of 3yr budget forecast by 31 July); - CFADS (quarterly monitoring returns); and - Cash flow template (monthly submissions) <p>Colleges in receipt of TU financial support were required to submit the model three times a year going forward – 31 Jan, 30 April and 14 Sept. This first return was due by 28 February 2020.</p> <p>L.Arscott explained the IFMC had been populated using actual data to December 2019 and then forecast data for January 2020 – July 2022. As the current submission was required prior to the publication of 2020/21 funding allocations, a number of assumptions had been made (as outlined in the report) and the model would be updated once the allocations were confirmed.</p> <p>CORPORATION QUESTIONS/COMMENTS</p> <p>The Corporation asked what the basis for the increasing student numbers was over the next 2 years. L.Arscott explained this was based on demographic information and also data from the college’s main feeder schools.</p> <p>The Corporation noted the model assumed a 5% growth in HE enrolments and asked if this was realistic. G.Guest agreed it was an ambitious target but explained the total HE student numbers were small and therefore not achieving the growth would have minimal effect on the overall college budget.</p> <p>The Corporation asked, given the IFMC was based on assumptions, would the college be held to account for the figures submitted. J.Stephens confirmed the college would be accountable; however, it was anticipated there would be a transition period for both colleges and the ESFA to become familiar with the new model.</p> <p>The Corporation noted, within the model, the forecast surpluses reduced year-on-year and asked if there was opportunity to provide rationale within the submission. L.Arscott confirmed there was opportunity to provide narrative. She noted the model was currently based on ‘worst case’ assumptions, hence the forecast surpluses were prudent.</p> <p>L.Arscott explained the IFMC being submitted to the ESFA was purely for the college on its own (ie not including its subsidiaries) and she circulated the results of including the college’s subsidiaries on the financial health ratings and ratios. The main impact was the reduction of the Outstanding financial health rating to Good in 2021/22. She reported she would continue to produce the report including the subsidiaries until Lot 2 (The West Stand) had been sold/transferred and the associated company closed.</p>	<p><i>Director of Finance and Clerk to coordinate</i></p>

	The Corporation APPROVED the Integrated Financial Model for Colleges submission as per the version presented to them. The Corporation acknowledged the model had been based on the assumptions set out in the report and would be updated once 2020/21 funding allocations were released.	
TEACHING, LEARNING & ASSESSMENT		
7.	Safeguarding update	
	<p>P.Stone presented the safeguarding report in its new format. He explained there were now two categories of incidents to be reported – those requiring immediate DSL action (where a student’s safety was in immediate danger) and those considered a cause for concern. The CPOMS sub-categories had been updated to reflect KCSIE 2019 and information about the new process had been disseminated to all staff.</p> <p>P.Stone explained the new simplified reporting process had been in place for three weeks at the time the report had been produced. He referred Corporation members to the report and explained seven incidents had been referred for immediate DSL action – mental health (3), substance misuse (2), gangs/youth crime (1) and neglect (1).</p> <p>P.Stone highlighted action taken to further strengthen the college’s safeguarding arrangements:</p> <ul style="list-style-type: none"> - Staffing in the BeSafe team had been increased by one day per week - 3 additional staff members had been trained as DSLs, making a total of 15 - A DSL/safeguarding rota would be in place from 24/02/20 - A barrier system was being installed at the entrance to the car park, which would be operated by security officers during college hours and evening/weekend access to the car park would be restricted <p>CORPORATION QUESTIONS/COMMENTS</p> <p>The Corporation asked if the installation of the barriers would cause a traffic backlog in the car park. P.Stone explained it was anticipated it would have an opposite effect by discouraging u-turns and drop offs in the car park entrance. Drop off areas for students had been identified as the lay-by on Haybridge Road and the car park opposite the fire station.</p> <p>The Corporation asked what would happen when an immediate action referral was received. P.Stone explained this was dependent on the situation being referred. The referral would be assessed, appropriate action taken and a record made on CPOMS.</p>	
8.	SAR spotlight – Automotive and Engineering	
8.1	<p>R.Wilson presented the action plans for the areas of Automotive and Engineering following them being highlighted as in need of improvement during the self-assessment process.</p> <p><u>Automotive</u></p> <p>R.Wilson was pleased to report there had been significant improvement made over the last 3 months and highlighted the following:</p> <ul style="list-style-type: none"> - Management had been stabilised, with the appointment of an experienced Curriculum Director and established staff member as Curriculum Leader - Student tracking had been transferred from IMI to Markbook (the system used by the college), making it easier to identify and monitor students/courses at risk 	

	<ul style="list-style-type: none"> - Exams were being moved to earlier in the year, giving more time for re-sits if required and when required re-sits were now arranged more quickly - Achievement was on track to achieve target - In response to student feedback about uncertainty around progression opportunities, joint working was underway with the Apprenticeships team to improve students’ knowledge of career pathways - English attendance had been identified as needing improvement and focused activity was underway as a response to this <p>CORPORATION QUESTIONS/COMMENTS</p> <p>The Corporation asked if there was a rationale behind the level for English and maths studied by the students. R.Wilson confirmed there was a process for assessing the most appropriate level – a combination of existing qualifications, computer-based assessment and the 6-week induction period. However, if a Grade 3 at GCSE had already been achieved, the funding rules stipulated the student must be entered for GCSE.</p> <p>The Corporation asked how the courses were reflecting future trends/changes, for example the increase in electric cars and environmental impact. G.Guest explained the first priority was quality of provision. The college was mindful of advances in technology/policy (for example a hybrid car was onsite); however, awarding bodies had not yet reflected these changes. Work experience was helping to bridge that gap.</p> <p>The Corporation acknowledged the Curriculum Director’s role was temporary and asked how the stability will be maintained after his departure. R.Wilson explained the Curriculum Director and Leader were working closely together and it was hoped the Learner Manager for this area would soon return after long-term absence.</p> <p>8.2 <u>Engineering</u> R.Wilson highlighted the following:</p> <ul style="list-style-type: none"> - The same Curriculum Director was also covering this area and had provided stable senior management - Recruitment for a stable, permanent team was underway - The whole curriculum had been reviewed, including apprenticeships and HE - Hybrid employment contracts were being explored for this area, promoting cross-over between teachers and assessors - Student attendance, retention and achievement were all on track to achieve targets <p>CORPORATION QUESTIONS/COMMENTS</p> <p>There were no further questions from Corporation members; however, they thanked R.Wilson for the reports and noted how useful the discussion had been in providing context and updating governors on the action being taken in response to the self-assessment process.</p>	
LEADERSHIP & GOVERNANCE		
9.	Management report	
	<p>G.Guest presented his report and highlighted the following:</p> <ul style="list-style-type: none"> - Student attendance: there was no nationally prescribed method for calculating attendance across FE. At Telford College, only students physically in the classroom were recorded as present 	

	<ul style="list-style-type: none"> - CLT: the curriculum leadership team, chaired by the Deputy Principal, had been set up to move the curriculum forward, move away from silo thinking, support in-house progression and help with preparation for Ofsted - Aviation Academy: enrolments for 2020/21 were very positive - The completion of the sale of Oakdene House on the college campus was imminent - Mercury Training (sub-contracting): due diligence had been undertaken, with no issues arising. The first cohort (19 students) had completed their training and all had job interviews scheduled <p>The West Stand (Lot 2)</p> <ul style="list-style-type: none"> - the decision taken to close the leisure and conference facilities on 03 February 2020 was based on purely financial reasons - alternative venues had been found for the conference bookings and the February direct debit payments had been repaid to customers within one week - conversations continued with interested parties regarding the transfer of the lease to another party <p>**G.Layer declared an interest re the University’s sponsorship of the football ground**</p> <p>**It was agreed the discussion would be resumed under Confidential session due to reasons of commercial sensitivity**</p> <p>CORPORATION QUESTIONS/COMMENTS</p> <p>The Corporation asked for the rationale behind the college’s method of calculating student attendance. G.Guest explained this method removed any ambiguity regarding accepted reasons for absence and also focused on the fact students were not in the classroom learning if not physically in college.</p> <p>The Corporation noted Mercury Training had only one listed Company Director and were aware of the implications of this. G.Guest confirmed this would be looked into.</p>	<p><i>ELT to investigate</i></p>
10.	Reports to the Corporation	
<p>10.1</p> <p>10.2</p>	<p><u>Staff governors</u> The staff governors suggested their reports be more focused around specific topics/themes, rather than just a generic monthly report. The Corporation supported this suggestion and it was agreed staff wellbeing would be the first theme. This would be discussed at the meeting in May 2020 to give the staff governors sufficient time to plan and gain feedback from colleagues.</p> <p><u>Student governors</u> C.Leivers informed the Corporation of the AoC workshop for student governors they had attended on 12 February 2020. The workshop ran alongside the West Midlands Clerks’ Network meeting and had been an opportunity to meet student governors from other colleges, share ideas/experiences and identify potential areas for joint working.</p>	<p><i>Staff governors and Clerk to coordinate</i></p>
11.	Governors’ expenses policy	
	<p>The Clerk referred the Corporation to the draft Governors’ Expenses Policy and explained currently the policy in place was to reimburse governors only for costs incurred relating to CPD activity and not attendance at scheduled meetings. The policy had been drafted in response to good practice across all sectors, to reflect the Charity</p>	

	<p>Commission’s guidance and remove any potential barriers to future applicants. Given the focus on expenses payments across the education sector, the process would be closely monitored by the Clerk and all claims would be counter-signed by the Principal. Records would be kept and made available to auditors.</p> <p>CORPORATION QUESTIONS/COMMENTS</p> <p>**The Corporation noted independent governors’ individual interest in approving the policy but agreed this did not affect the Corporation’s ability to approve the policy**</p> <p>The Corporation acknowledged the importance of reimbursing governors for cost incurred in undertaking their role. The Corporation also recognised how not having such a policy in place could prevent potential applicants from wanting to join the governing body.</p> <p>The Corporation APPROVED the following recommendations:</p> <ul style="list-style-type: none"> - That the Corporation approves the Governors’ Expenses Policy; - That the policy be published on the college’s website; and - That the Corporation Handbook be updated to reflect the approval of the policy 	<i>Clerk to action</i>
FINAL BUSINESS		
12.	Self-assessment and reflection	
12.1	<p><u>General improvements/better ways of working</u> There were no suggestions.</p>	
12.2	<p><u>Risk identification</u> There were no new risks identified.</p>	
13.	Any other business	
13.1	<p><u>Safeguarding training</u> The Clerk reminded governors who had not yet undertaken the online safeguarding training to ensure this was done.</p>	<i>Corporation members</i>
CONFIDENTIAL SESSION		
14.	Minutes of the Confidential session from the last meeting and matters arising	
14.1	<p><u>Minutes of the Confidential session held 16 December 2019</u> The minutes of the Confidential session at meeting held 16 December 2019 were APPROVED as a true record.</p>	<i>Clerk to update register</i>
14.2	<p><u>Matters arising</u> G.Guest and J.Stephens updated the Corporation on the following matters arising – Kickstart, the West Stand (Lot 2) and LEP skills funding.</p>	

The meeting closed at 7:18pm