

## SOUTHPORT COLLEGE

### MINUTES OF CORPORATION MEETING HELD ON WEDNESDAY 4<sup>TH</sup> JULY 2018

<b>Present:</b>	Christine Bampton	Independent Governor
	John Clarke	Principal/CEO
	John Fell	Independent Governor
	Veronica Fell	Independent Governor (Chair)
	Rob Firth	Independent Governor (Vice-Chair)
	Terry Fleetwood	Independent Governor
	Marcus Godfrey	Student Governor
	Alex Kenny	Independent Governor
	Suzanne Knowles	Staff Governor
	Mo Kundi	Independent Governor
	Keith Millington	Independent Governor
	Kathy Passant	Independent Governor
	Vipin Trivedi	Independent Governor
	Ilush Bricknell	Associate Member
Richard Jacklin	Associate Member	

<b>In Attendance:</b>	Anne-Marie Francis	Vice Principal (Sixth Form & University Studies)
	Eddie Green	Vice Principal (Services)
	Gill Kitchen	Vice Principal (Curriculum & Quality)
	Lesley Venables	Clerk to the Corporation

#### PART ONE

#### APOLOGIES FOR ABSENCE

305 Apologies for absence were received and accepted from Matthew Bousfield (Student Governor), Liam Gaskell (Student Governor), Vickie Hayes (Staff Governor), Sue McGuire (Independent Governor), Ian Raikes (Independent Governor), Carol Reid (Staff Governor), Jim Turner (Parent Governor), Stephen Breen (Associate Member), Anita Holt (Associate Member) and Philip Porter (Associate Member).

#### DECLARATIONS OF INTEREST

306 A standing declaration of interest was received from John Fell as he is married to the Chair of the Corporation.

#### MINUTES

307 **Resolved -** That, with the amendment of minute 290, the minutes of the meeting held on 23<sup>rd</sup> May 2018 be approved as a correct record and signed by the Chair.

## **MATTERS ARISING**

308 Governors were advised that all matters arising from the minutes of the previous meeting had either been completed, were in progress or were featured on the agenda.

## **STRATEGIC ISSUES**

### **Mission & Vision**

309 The Principal/CEO presented a report on the College's Mission and Vision. The content had been prepared in line with discussions at the recent Strategy Day (May 2018), at which it had been proposed that the Mission Statement should be amended.

310 The next stage would be to devise a draft Vision Statement and it was suggested that a small working group of governors should be convened for this purpose. Work had also commenced on a new Staff Charter and the outputs from this process would feed into the development of revised strategic objectives.

311 A draft of the Strategic Plan for 2018/2019 to 2020/2021 would be submitted for approval at the Corporation's October meeting, together with a Vision Statement and updated objectives.

312 Governors asked why the word 'outstanding' had been amended to 'excellent' and were advised that it was felt that the former gave the impression of being an external judgement on the College's performance, whereas the latter could be measured as a target.

- 313 **Resolved -**
- 1 That the revised Mission Statement ("To provide excellent, sustainable education and training for Southport and the region.") be approved
  - 2 That a working group be established to draft a suitable Vision Statement, with a membership of: Veronica Fell, Terry Fleetwood, Alex Kenny and Vipin Trivedi, supported by the Principal and the Clerk
  - 3 That a draft of the Strategic Plan be submitted for approval to the Corporation's October meeting

### **Corporate Performance Report**

314 The Principal presented a report on performance against each of the College's strategic objectives for 2017/2018.

315 Senior management had attended the College's first monitoring meeting with the Transaction Unit earlier in the week.

316 The Joint Task Group with governors from Hugh Baird College was also due to meet to discuss the future of the Sefton College proposal that had been one of the outcomes of the Area Based Review process. Governors were reminded that, at the Strategy Day, the Corporation had determined that the second stage merger should not be pursued any further.

317 This would require ratification by the Corporations of Southport and Hugh Baird Colleges. It would be important to set out the rationale for such a decision and to communicate this to external stakeholders such as the FE Commissioner and the Education & Skills Funding Agency.

318 Governors were informed that it was highly likely that the outturn for adult funding levels for 2017/2018 would not reach the identified target and that the final level (£300K lower) would form the basis of the Adult Education Budget for 2018/2019. The College would aim to submit a bid for additional growth during 2018/2019 to mitigate any potential clawback of funds by the ESFA. It was noted that the draft Budget had been amended to reflect this performance and that any impact had been minimised through the achievement of savings on staffing and non-pay expenditure.

319 The Corporation felt that it would be helpful to receive information on progress against the adult funding target, so that projections could be compared to actuals and governors could monitor performance effectively.

320 In response to questions, the Principal advised that the AEB did not yet fall within the remit of the Liverpool City Region. It was important that the College had sustainable, high quality provision which enabled it to maximise its income from this and other sources. Many colleges in the sector were finding it difficult to meet their AEB targets.

321 The Principal had recently been appointed as the chair of the Merseyside Colleges' Association, which has regular meetings with LCR officials and should provide a useful insight that could inform future strategy.

322 The College had recently been awarded the Matrix accreditation for its initial advice and guidance services.

323 Governors questioned why the key performance indicators had not been updated in the report and were informed that this would feature at the next meeting, when there would be greater degree of certainty over the outturn for 2017/2018. A further query was raised on why the pass rate for 16-18 year olds and the overall achievement target had been set lower than the actual outturn for 2016/2017. The Vice Principal (Curriculum & Quality) would review this information and re-issue it if necessary.

324 Colleges had been invited to apply to operate a pilot of the new Technical (or 'T') Level In Construction and staff were currently assessing whether such a submission should be made.

## **TRANSACTION UNIT MONITORING REPORT**

325 The Vice Principal Services presented the latest quarterly monitoring report to the Transaction Unit, which set out the reporting requirements of the Education & Skills Funding Agency that had been fulfilled by the College. Governors were advised that the table on outcomes would continue to be monitored closely by the TU over the life of the grant agreement.

326 As reported earlier, senior managers had met with TU officials and this had focused mainly on the process to be used for monitoring returns and the timetable. It was noted that the College's revised Accommodation Strategy would need to be approved by the Corporation by the end of November 2018 and the TU had asked for an annual update in the form of a narrative report on the College's position.

327 In response to a query about the staffing costs to income level at KGV being stated as 66% in the report, the Vice Principal Services advised that KGV was being funded for the previous year's learner numbers which had been higher than in 2017/2018.

328 The College had been complimented on the content and quality of its monthly reporting and financial plan. Governors expressed their gratitude to the Vice Principal Services and his team for their work on this issue.

## **ACCOMMODATION STRATEGY UPDATE**

329 The Vice Principal Services presented an update on current accommodation projects, which had been discussed in detail by the Resources Committee.

330 Tenders had been issued earlier in the year for the refurbishment of the KGV Reception area. However, when returned, the costs were far in excess of the College's estimate. A value engineering exercise was then undertaken which had brought down the cost, but management had then re-considered the options and had recommended to the Resources Committee that the project should be managed in-house to bring down costs by a further £80K.

331 As the in-house option fell outside the existing Financial Regulations, the Resources Committee had considered and approved a waiver. This would enable the work to be carried out over the summer period and to be completed in early September. The Financial Regulations allowed for such a waiver in 'exceptional circumstances' and it was felt that this was warranted as the project was time-critical and would impact positively on learners when completed.

332 Governors had been assured that the risks had been suitably captured in the College's risk register and that these would be robustly monitored. The Resources Committee had been keen to ensure there was an adequate audit trail of the decision-making process and that the waiver of the Financial Regulations was formally recorded. In response to questions from the Corporation as to whether any additional risk assessment had been undertaken, the Vice Principal Services reported that the risk register was being reviewed.

333 A contingency plan was in place for managing the project through the in-house route, with additional support provided by the quantity surveyor and architect if necessary.

334 During the Resources Committee's discussions, the Clerk had been asked to work with management to update the Financial Regulations and to provide suitable wording to cover this scenario in future. It had been felt that there were valuable lessons to be learned from this course of events, which could lead to improvements in the College's practices.

335 Governors were informed of other projects that were taking place over the summer, including the upgrading of the sports changing rooms, the creation of a multi-use games area, replacement of the boilers and other works at KGV.

### **RISK MANAGEMENT PLAN 2018/2019**

336 Governors received the draft Risk Management Plan and Policy for 2018/2019. The Audit Committee had reviewed the high risk action plan and the Resources Committee had reviewed a sensitivity analysis of the financial risks, with no further changes recommended. None of the high risks and their associated scores had been amended but financial management was still highlighted as a significant risk due to the static nature of the funding rate attracted for 16-18 year old learners.

337 The Vice Principal Services was asked whether the score for the risk relating to potential overspends on capital projects should be amended to reflect an earlier agenda item. The Corporation was advised that, at its meeting on 4<sup>th</sup> July, the Audit Committee had proposed a change to the Internal Audit Annual Plan for 2018/2019 to include a review capital projects and the College's tendering processes. Management felt that it would be prudent, therefore, to wait until this work had been completed prior to amending the risk score for this item.

338 **Resolved** - That the Risk Management Plan and Policy for 2018/2019 be approved.

### **FINANCIAL FORECAST 2018/2019 TO 2020/2021**

339 The Corporation received the draft Financial Forecast for 2018/2019 to 2020/2021. The assumptions upon which it had been based included growth of 16-18 provision in line with the plans submitted to the TU during the merger process, increased levels of apprenticeship and higher education learner. As mentioned earlier, the amount of Adult Education Budget funding and Adult Learner Loans would be reduced to reflect the College's under-performance against the target.

340 Governors questioned why staffing costs were set to increase in 2019/2020 whilst income was predicted to diminish. The Vice Principal Services reported that this was attributable to incremental drift, the need for the College to prepare for growth in A levels, apprenticeships and HE, which entailed the recruitment of additional staff, and the lagged funding model operated by the ESFA..

341 Early adoption of further efficiency strategies had meant that reductions in non-pay expenditure meant would be realised earlier than expected.

342 Concern was expressed about the negative impact that the pensions deficit had on the College's financial position. The figures presented in the Forecasts appeared to show that this would veer away from the forecasts submitted to the TU on an increasing basis.

343 The Corporation noted that the percentage of surplus that was forecast to be generated in each year would be included in the monthly management accounts in future.

344 **Resolved -** That the Financial Forecasts for 2018/2019 to 2020/2021 be approved

## **COMMITTEE REPORTS**

### **AUDIT COMMITTEE**

345 The Chair of the Audit Committee provided a verbal report on the special meeting held on 4<sup>th</sup> July 2018.

346 The Committee had recommended that the External Audit Plan for the 2017/2018 Financial Statements should be approved by the Corporation. A change to the Internal Audit Annual Plan for 2018/2019 had also been discussed to incorporate a review of the College's tendering processes.

347 Governors received for information the minutes of the meeting held on 6<sup>th</sup> June 2018.

348 Following the publication of a revised Post-16 Audit Code of Practice, the Clerk had updated the Committee's terms of reference to state that staff and student governors could no longer be members of the Audit Committee. Further changes were made as a result of discussions at other recent meetings, to ensure that some elements were standardised across committees.

- 349 **Resolved -**
- 1 That the External Audit Plan for the 2017/2018 Financial Statements be approved
  - 2 That a revised Internal Annual Plan be presented for approval at the next Corporation meeting, on the recommendation of the Audit Committee
  - 3 That the Committee's revised terms of reference be approved

### **STANDARDS COMMITTEE**

350 The Chair of the Standards Committee reported on the meeting held on 13<sup>th</sup> June 2018.

351 Quality Strategies for the College's further and higher education provision had been received, to which amendments had been suggested by the Committee in relation to strengthening the monitoring framework and building in some auditing of key targets to the annual cycle.

- 352 **Resolved -**
- 1 That the Quality Strategy for 2018/2019 be approved
  - 2 That the Higher Education Quality Strategy for 2018/2019 be approved
  - 3 That the Committee's revised terms of reference be approved

## RESOURCES COMMITTEE

353 The Chair of the Corporation presented for information a report on Resources Committee meeting held on 26<sup>th</sup> June (for which the Committee Chair had been absent).

354 It was noted that a number of items discussed by the Committee had been featured earlier on this agenda. The Committee had recommended approval of a revised Learner Support Funds Policy, which provided a consistent approach across both sites of the organisations.

- 355 **Resolved -**
- 1 That the updated Learner Support Funds Policy for 2018/2019 be approved
  - 2 That the Committee's revised terms of reference be approved

## GOVERNANCE COMMITTEE

356 The Corporation received for information a verbal report on the Governance Committee meeting held on 3<sup>rd</sup> July 2018.

357 The Committee had considered a report on a range of membership issues. It had been suggested that the Corporation's register of determination should state 'up to 3 student governors', with one from each campus and the provision for a student from the College's HE programmes to be appointed if required.

358 Governors had discussed the future provision of a parent governor and felt that this role was still important and should continue. The Clerk had advised that after the current parent governor's child left the College there was no requirement for that governor to resign and they could serve out the rest of their term of office.

359 Attendance levels amongst associate members was below the identified target of 75% and, whilst recognising the contribution of these individuals pre-merger, the Committee considered whether the role was effective and still required and concluded that it was, as it enhanced the Corporation's skill profile. Governors agreed that ambassadorial roles could be given to some associate members who provided useful links to employment and progression opportunities. All current associates would be asked about their future intentions as part of the individual self-evaluation meetings between the Chair/Vice-Chair and the Clerk.

360 The Committee had received a report from the Clerk on levels of attendance for Corporation and committee meetings in 2017/2018. Although these were above the identified target of 75%, there was a small number of individuals who had not met the target, partly due to being new in post and partly because of the additional meetings that had taken place since September 2017 (mostly relating to the merger), some of which had been called at short notice. It was recommended that, in line with good practice in the further education sector, the target should be increased to 80% for 2018/2019.

361 Further work had been undertaken on compliance against the elements of the Code of Good Governance. The Clerk had also prepared a 'Governance Handbook' which provided reference material for all existing and new governors. Copies would be distributed early in September.

362 The Committee had recommended the adoption of proposals for ensuring that data relating to governors and associate members was recorded and retained in line with the principles of the General Data Protection Regulations and the requirements of the Office for Students. All governors present at this meeting were asked complete these two proformas and return them to the Clerk.

363 Governors were also advised that new regulations would be introduced by the Charity Commission with effect from 1<sup>st</sup> August 2018 relating to ensuring that governors and associates were 'fit and proper persons'. The regulations would encompass both existing and new governors. A proforma had been devised to enable governors to provide the appropriate declarations, which would be kept on file by the Clerk.

- 364 **Resolved -**
- 1 That approval be given to an amendment of the Instrument of Government to set the number of student governors as 'up to 3', with one student drawn from each campus and the provision for an HE student governor if required in future
  - 2 That the role of parent governor should continue and that the Clerk discuss future intentions with the current incumbent
  - 3 That the attendance target for governors and associates be approved as 80% for 2018/2019
  - 4 That the Committee's revised terms of reference be approved
  - 5 That the draft Privacy Policy and Consent Form for data in connection with the Office for Students regulatory framework (which included a declaration of being a 'fit and proper person'), to be signed by all governors and associate members.

## **GOVERNOR ACTIVITY REPORT**

365 Governors reported on events they had attended and activities undertaken as part of their role since the May 2018 Corporation meeting. A record would be kept by the Clerk, which would provide useful evidence of governor engagement during external validations.

## **GOVERNOR AND MANAGEMENT RETIREMENTS**

366 The Chair thanked governors and associates for their attendance at the meeting and their contributions during the past year and for their work on the merger, particularly the former Chair who had steered the Corporation through a challenging time.

367 Governors expressed their gratitude to all staff and to the Principal/CEO and the College Executive Team.

368 Presentations were made to Marcus Godfrey (Student Governor), Ilush Bricknell (Associate Member) and to Gill Kitchen (Vice Principal – Curriculum & Quality), for all of whom this would be their final meeting.

## **DATES OF FUTURE MEETINGS**

369 The Clerk reported that a further draft list of meeting dates for 2018/2019 would be circulated shortly, on which governors were asked to feed back any comments.