

MINUTES

Group :	SHREWSBURY COLLEGES GROUP -	Date:	12/12/16
Location:	AGENCY SUITE, LONDON ROAD CAMPUS	Time:	6.00 p.m.
Membership:	Gordon Channon, (Chair), Andy Allen, Michael Bishopp, Patrick Bowen, Christine Davies, Anne Dokov, Dr Chris Fountain, Sarah Gibbons, Christina Gore, Iain Gilmour, Liz Hird, Alison Jackson, Barbara McCormack, Nigel Merchant, Josh Prior, David Pulford, Rob Rosson, Rex Sartain, Lyn Surgeon (Principal/Chief Executive), Verity Underhill and Mike Willmot.		
IN ATTENDANCE:	<p><u>Members of the Senior Leadership Team:</u></p> <p>C. Armstrong, Group Vice Principal, Curriculum Support and Business Development Mark Brown, Group Vice-Principal, I.T. and Strategic Development Donna Lucas, Group Vice-Principal - Human Resource Development Paul Morgan – Head of Shrewsbury Sixth Form Chris Pemberton, Group Vice-Principal, Quality and Curriculum Development Janet Stephens, Group Vice-Principal – Finance and Asset Management</p> <p>Clerk to the Corporation</p>		
APOLOGIES:	Chris Fountain, Sarah Gibbons and Alison Jackson.		

PART I – OPEN ITEMS

30. **Declarations of Interest**

There were no declarations of interest

31. **Welcome to Student Governors**

The Chair welcomed Patrick Bowen and Josh Prior who had recently been appointed Student Governors.

Election of Vice-Chair

32. Resolved:

That Rob Rosson be appointed Vice-Chair of the Board up to the expiry of his term of office on 2 May 2019.

Minutes

Resolved:

- (a) That the Minutes of the Inaugural meeting held on 29 September 2016, be approved

(b) That the Minutes of the Special Meeting held on 16 November 2016, be approved.

33. **Matters Arising**

There were no matters arising.

Presentation – Strategic Update

The Principal/Chief Executive gave a Power Point Presentation giving feedback on the Strategic Working Party meeting held on 1 December 2016. The Working Party had worked through a 'SWOT' analysis and she highlighted specific areas covered, including the impact of the Sainsbury Report which she felt the College was in a good position to respond to. The outcomes of the analysis had been included in the draft Strategic and Development Plan and an update on progress would be presented to the March Board meeting.

SLT

The Principal stated that there was an appetite to achieve 'outstanding' and for the College to be a college of choice where students were valued, supported, inspired and successful.

The Chair commented that it was key that all Governors were committed to shaping the strategy and felt involved. He referred to the size of the current Board and the difficulty of involving all Governors at Strategic Planning Days. He asked Governors to contact him with any suggestions on how best to ensure all Governors were fully involved and had input into the strategic development of the College

Clerk

34. Resolved:

That the feedback from the 1 December 2016 Strategic Working Party meeting be noted.

Summary of Minutes from Committees (Appendix 13/16)

The Chairs of Committees presented a summary of decisions of meetings held during the autumn term as follows:

Quality, Standards and Curriculum – 3 October and 5 December 2016 – The Chair referred in particular to the outcomes of results and on the validation process which she had been involved with. She commented on the good results at the Shrewsbury Sixth Form College but was aware that there was a need to increase the number of higher grades in order to attain outstanding. With regard to the Self-Assessment document, the Chair of the Committee referred to the size of the documents covering both academic and vocational areas, some having 4 levels of results. She acknowledged that more detail would be required by Governors in order to respond to weaknesses and make timely interventions and the need to have appropriate information to enable assessments to be made. The Principal reported that a dashboard would be established to enable quality to be closely monitored by Governors. The document would give the headline details but also enable Governors to look beneath the data for detailed analysis.

MB

A Governor commented that GCSE results were not always an indicator of expected results and outcomes for students at the College as there were a number of factors which could affect results and it was important to drill down into the detail. The Principal advised that there were some pockets of excellence across all campuses but that much work was needed on those areas requiring improvement.

The Head of Sixth Form stated that the data on ALPS over the past two years was high and that the College was moving in the right direction.

Finance and Business Operations – 11 October and 22 November – the Chair highlighted the presentations given by Group Vice-Principals on those areas of business covered by the Committee which had been extremely helpful in giving an outline of business areas for future meetings.

He also reported on an external event he had attended organised by Grant Thornton, Auditors on the proposed insolvency regime for the FE Sector and its potential impact. He advised that a new Technical and Further Education Bill had been through its 2nd Reading and would require any college likely to go bankrupt to appoint a Special Administrator who would have responsibility to ensure Colleges would:

1. Pay off creditors as best it can; and
2. Ensure there was minimum disruption to students - although clarity on how this would be effected was yet to be determined.

The impact of the new insolvency regime, could result in Banks being reluctant to make loans to Colleges and that they would closely scrutinise existing loans, assets and bank covenants.

The Chair of the Board thanked the Chair for his feedback and stated the importance of formulating a strategy that ensured the College did not get into a situation where it would go bankrupt.

Search and Governance – 19 October 2016 - The Chair advised that most items were covered on the main Board agenda.

Audit Committee – 29 November 2016 – The Chair highlighted the Tracking of Audit recommendations where some actions were behind and advised that this was due to the merger process and progress was already in place to implement the recommendations. The Committee also considered in detail the risk register and whether the College was a Going Concern.

He advised that the performance of the external and internal auditors had been considered and rated as 'Good' and that, in line with normal procedures, their services would be put out to tender in the spring 2017.

35. Resolved:

That the Summaries of Decisions and the comments of the Chairs be noted.

Terms of Reference for Standing Committees (Appendix 14/16)

The Clerk to the Corporation submitted the proposed Terms of Reference for Standing Committees which had been considered and amended as necessary by each Committee.

36. Resolved:

That, subject to the following, the Terms of Reference for the Standing Committees of the Board be approved and reviewed again in three years, or as necessary.

- (i) Search and Governance Committee - amended by including its full title throughout; and
- (ii) Finance and Business Operations – Section 2.0 relating to Human Resources to be extracted and included in terms of reference for new Human Resources Committee (see Minute 37(iii) below).

Governance Issues (Appendix 15/16)

The Clerk to the Corporation submitted a report on the following issues:

- Expiry of Terms of Office
- Future Determination of Board Numbers

- Membership of Committees
- Skills Audit/Profile for future Governors
- Training Plan 2016/17
- Development Meetings with Chair

The Chair referred to the expiry of terms of office of Chris Fountain and Barbara McCormack who had all both two full four year terms of office and, on behalf of the Board, thanked them for their valued contribution and work for the SSFC Board and the Shrewsbury Colleges Group Board. Chris Fountain was absent from the meeting and the Clerk undertook to contact him to pass on these comments.

Clerk

A Governor referred to Barbara's input and impact at meetings and wished her well. Barbara responded and stated how much she had enjoyed being on the Board and making a contribution to the debates.

With reference to the future determination of Board numbers, the Chair of Search and Governance advised that this had been discussed at the Strategic Working Party when it was agreed that the current determination was too large and that further consideration be given to its size and the use of co-opted members. With regard to the staff category, the Working Party considered that this be reduced from 4 members to 3 members

In relation to the Committee Structure, it was suggested that there was a need for a separate Human Resources Committees in view of the current heavy focus on this area of business at the present time and of the breadth of business covered under the Finance and Business Operations Committee under which human resources currently fell. It was recommended that this be established for an initial period of 12 months and then reviewed.

It was noted that there were a number of Committees which required the Chair and/or Vice Chair to be a member of and this would be taken into account in future recommendations.

37. Resolved:

(a) That, in respect of terms of office of Governors:

- (i) The thanks of the Board be placed on record to Chris Fountain and Barbara McCormack for their valued contribution over the past 8 years on both the SSFC Board and Committees and the Shrewsbury Colleges Group.
- (ii) That the term of office of Christine Davies be extended for a further two year period from 19 July 2017 to 19 July 2019 which would complete two full terms of office. **Clerk**
- (iii) That the term of office of David Pulford be extended for a further two year period from March 2017 to 16 March 2019 which would complete two full terms of office and an additional 2 years in view of the wish of the Board to retain his experience on Estates issues. **Clerk**
- (iv) That Christina Gore be re-appointed for a second four year term of office to 12 December 2020 **Clerk**

(b) That the number of staff Governors be reduced to 3 after July 2017 and that the Policies on Determination of the Board and Appointment of Staff Governors be amended accordingly at that time with the composition being 2 teaching staff – one from London Road Campus and one from the Welsh Bridge/English Bridge Campus and one Support Staff from any of the campuses. **Clerk**

- (c) That a separate Human Resources Committee be established and Chaired by Iain Gilmour and that current Human Resources business be taken out of the remit of the Finance and Business Operations Committee **Clerk**
- (d) That Governors advise the Clerk to the Corporation if they would be interested in serving on the Human Resources Committee. **Clerk**
- (e) That it be noted that, following consideration by the Search and Governance Committee, the Membership of Committees would be re-considered at the Board meeting in March 2017, taking into account the appointment of a new Chair and Vice Chair, changes to the composition and determination of the Board number and changes to the Committee Structure, including the Membership of a new Human Resources Committee, reduction in the membership of Finance and Business Operations Committee and frequency of Board meetings.
- (f) That the amended Annual Skills Audit Analysis Form for 2016/17 be approved
- (g) That the 2016/17 Training Plan be noted and that future training for Governors include webinars and on-line training as necessary. **Clerk**
- (h) That it be noted that the Chair was available for one-to-one meetings with Governors if requested.

Equality and Diversity Report (Appendix 16/16)

The Group Vice Principal, Quality and Curriculum Management, submitted the Equality and Diversity summary of 2015/16 achievement and action plan update. She advised that it was a new requirement for the Action Plan to be published on the website and confirmed that future reports would be submitted for the Shrewsbury Colleges Group.

38. Resolved:

That the 2015/16 Equality and Diversity summary achievement and action plan update be noted.

Self-Assessment Grades (Appendix 17/16)

The Group Vice Principal, Quality and Curriculum Management, submitted a summary of grades for information and giving assurance of interventions.

In response to a Governor query regarding action being taken in respect of level 4 outcomes, she outlined measures taken to address this, including one to one meetings over a period of time, closely monitoring retention and attendance, teaching and learning methods and incentives.

The Head of Sixth Form referred to action taken at the Sixth Form including recovery plans, which involved himself and Programme Leaders going through each aspect of performance and putting in place a written plan. At the present time there were two subject areas in the recovery plan.

39. Resolved:

That the self-assessment grades be noted.

HE Self-Assessment (Appendix 18/16)

The Group Vice Principal, Quality and Curriculum Management submitted the full HE Self-Assessment and action plan for review. She advised that the new QAA model for quality assessment included a requirement for Governing Bodies to submit an annual assurance.

The Governor Representative for H.E. advised on the precise nature of the assurance required. He commented that the lack of a dedicated H.E Centre was a weakness and suggested that this should be included in the document - although it was noted that establishing a centre would be a considerable expense.

40. Resolved:

(a) That the H.E. Assessment report and accompanying action plan relating to the continuous improvement of the student academic experience and student outcomes be approved, subject to including reference to the lack of a H.E. Centre.

(b) That it be noted that the H.E Self-Assessment and action plan included evidence that it fully involved students and included embedded professional review, and that the methodologies used as a basis to improve the student academic experience and student outcomes were, to the best of the College's knowledge, robust and appropriate.

(c) That it be noted that the standards of awards for which the College is responsible had been appropriately maintained.

Sub-Contracting Policy and Allocation for 2016/17 (Appendix 20/16)

The Group Vice-Principal, Information and Strategic Development submitted a report on sub-contracting Policy and Allocation for 2016/17.

He advised that the College sub-contracts on an annual basis a proportion of its Apprenticeship and Adult Education Budget (AEB), to partners to deliver on behalf of the Colleges. It was a requirement of the Skills Funding Agency (SFA) to ensure that the Corporation had approved the Sub-Contract Policy and the value of contracts intended to be issued. The Policy would be published on the website.

In response to Governors queries, he gave clarification on how sub-contracting worked and confirmed that monitoring was carried out by the Quality Team. He commented that, under new regulations, it was not clear whether in the future, distance sub-contracting would be allowed.

41. Resolved:

That the Sub-Contracting Policy and Allocation for 2016/17, be approved.

Feedback from Business and Community Forum

The Chair of the Business and Community Forum gave feedback from the Forum held on 30 November 2017. The event was attended by the Managing Director of Mosaic and the Chief Executive of Shrewsbury Town Football Club (STFC) and focussed on business and marketing. The value of the Forum in establishing partnerships was acknowledged and it was intended to broaden the Forum to other stakeholders in the future, including the Shrewsbury Partnership For Education and Training Federation (SPET). The Group Vice Principal, Curriculum Support and Business Development advised that the next Forum would be held in March 2017 and that both the Managing Director of Mosaic and the Chief Executive of STFC would continue to attend the forums.

42. Resolved:

That the feedback from the Business and Community Forum held on 30 November 2016, be noted.

Chair of Audit Committee – Draft Annual Report of the Audit Committee (Appendix 21/16)

The Chair of the Audit Committee submitted his Annual Report of the Audit Committee which covered both SSFC and Shrewsbury College. He advised that, once the financial statements had been approved, Grant Thornton would be able to provide an opinion to be included in the report.

In response to a question from the Chair, the Group Vice Principal advised on how the Risk Register and Board Assurance Framework was used as a tool for Governors for re-assurance and to monitor and review all risk areas.

43. Resolved:

That, subject to the Grant Thornton's Audit opinion being included, the Annual Report of the Audit Committee be approved

Financial Statements year ended 31 July 2016 (Appendix 22/16)

The Group Vice-Principal, Financial and Asset Management, submitted the financial statements for the year ended 31 July 2016, for both SSFC and Shrewsbury College and highlighted the headline summary as follows:

- Surplus for the year of £828K (deficit of £838K in 2014/15)
- Cash balance of £1.9m (£2.4m in 2014/15)
- Net Assets of £83K (£4.3m in 2014/15) the significant decrease is due to the increase in pension liability following the FRS102 changes and re-measurement process.
- Financial Health of Good (Satisfactory in 2014/15).

The Chair of the Finance and Business Operations Committee advised that the outcomes were typical of the sector and some FE Colleges were in a worse position. The main area of concern was the Pension Fund and it could be appropriate to look into how the Fund was being run. The Group Vice Principal, Human Resources Development advised that she was aware of plans for a review of Local Government Pension Schemes.

In response to a question from the Chair, the Group Vice Principal advised that the key area of concern to the College's financial position is the achievement of the full SFA allocation. She advised that the SLT had agreed actions to mitigate the risk.

44. Resolved:

- (a) That subject to a minor amendment to page 23 of the document, the merged financial statements for Shrewsbury Sixth Form College be approved and signed
- (b) That the final set of financial statements for Shrewsbury College of Arts and Technology be approved and signed.
- (c) That it be noted that both sets of financial statements would be sent to the EFA/SFA by 31 December 2016.

(Note: That Chair signed both sets of documents at the meeting).

Year to Date Managements Accounts (Appendix 23/16)

The Group Vice-Principal, Financial and Asset Management, submitted the latest set of management accounts up to 31 October 2016. These had been reviewed and approved by the Finance and Business Operations Committee on 22 November 2016.

45. Resolved:

That the management accounts up to 31 October 2016, be noted.

Risk Register and Board Assurance Framework for 2016/17 (Appendix 24/16)

The Group Vice Principal submitted the Risk Register and Board Assurance Framework for 2016/17.

46. Resolved:

That the Risk Register and Board Assurance Framework for 2016/17, with assurance levels and proposed actions, be approved as being appropriate.

Pay Award 2016/17

The Group Vice- Principal Human Resources Development reported that the SFA had not as yet agreed the proposed increase of 1% to support staff with effect from January 2017. A decision was likely to be mid-January 2017. She advised Governors that, with the exception of Sixth Form support staff, all other groups had agreed to 1% from 1 January 2017. Staff would be advised prior to Christmas 2016, of the position.

47. Resolved:

That the proposed 1% salary increase to all staff with effect from January 2017 be noted.

Feedback from meetings with Unions

The Group Vice-Principal, Human Resources Development, gave feedback on recent meetings held with the Joint Consultative Negotiating Committee. Issues discussed included:

- Contractual changes as part of the integration process
- Pay integration for support staff which would be looked at in January/February 2017
- Pay integration for teaching staff – to be considered at Easter 2017
- Curriculum structure in preparation for September 2017.

At the present time, full consultation was underway in respect of a restructure of support staff.

48. Resolved:

That the verbal report from the Group Vice Principal, Human Resources Development on meetings held with unions, be noted.

Staffing Update – Principal/CEO and Clerk to the Corporation

The Group Vice Principal, Human Resources Development, reported that the new Principal/Chief Executive had signed and returned his contract papers and was aiming to take up his appointment on 24 April 2017, but that there could be 2/3 weeks slippage depending on the recruitment process at his existing College.

With regard to the post of Clerk to the Corporation, the Selection Panel had unanimously recommended that Tracy Cottee be appointed to the post

The Chair thanked the current Clerk to the Corporation for her work for the SSFC Board over the past 8 years and for the Shrewsbury Colleges Board.

49. Resolved:
- (a) That the verbal report of the Group Vice Principal, Human Resources Development be noted.
 - (b) That Tracy Cottee appointed Clerk to the Shrewsbury Colleges Group with effect from 8 January 2017.
50. **Date of Next Meeting** – Wednesday, 22 March 2016 at 6.00 p.m.

PART II – CONFIDENTIAL ITEMS

Governors are asked to agree that Items 24 to 25 be considered as confidential items under Article 16(2) (d) and Standing Order 11 and that, in accordance with Instrument 13(5) (b), Staff and Students be excluded from Item 23(b) of the agenda

Minutes:

51. Resolved: That
- (a) the Minutes of the meeting held on 26 September be approved; and
 - (b) the Minutes of the Special Board meeting held on 16 November be approved;

Summary of Decisions

52. Resolved: That
- (a) the confidential Summary of Decisions from the 11 October meeting of the Finance and Business Operations Committee be noted.
 - (b) it be noted that the Remuneration Committee had confirmed the salary of the new Principal/Chief Executive as agreed at the Special Board Meeting and that the contract of the Interim Chief Executive/Principal had been extended to 15 April 2017, on her existing terms and including the 1% pay award from 1 January 2107.