

MINUTES

Group :	SHREWSBURY COLLEGES GROUP – BOARD MEETING	Date:	22/03/2017
Location:	CLASSROOM S.5, WELSH BRIDGE CAMPUS, SHREWSBURY	Time:	6.00 p.m.
Membership:	Gordon Channon, (Chair), Andy Allen, Michael Bishopp, Christine Davies, Anne Dokov, Sarah Gibbons, Christina Gore, Iain Gilmour, Nigel Merchant, David Pulford, Rob Rosson, Rex Sartain, Lyn Surgeon (Interim Principal/Chief Executive) and Verity Underhill.		
IN ATTENDANCE:	<u>Members of the Senior Leadership Team:</u> 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 Janet Stephens, Group Vice-Principal – Finance and Asset Management Clerk to the Corporation – Tracy Cottee		
APOLOGIES:	Patrick Bowen, Elizabeth Hird, Josh Prior and Michael Willmot, Catherine Armstrong, Group Vice Principal, Curriculum Support and Business Development Chris Pemberton, Group Vice-Principal, Quality and Curriculum Development.		

PART I – OPEN ITEMS

01/17. **Declarations of Interest**

There were no declarations of interest.

02/17. **Minutes**

Resolved:

That the Minutes of the meeting held on 12 December 2016, be approved subject to the following amendments –

Minute No. 35 – Summary of Minutes from Committees – Finance & Business Operations Committee

The Chair of the Committee wished to make the following amendments –

Paragraph 2, addition after “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.” add “According to Grant Thornton, this was intended to introduce a new, more certain regime for dealing with insolvent Colleges. This regime was broadly similar

to that already in existence for companies, but an additional, new procedure known as Special Administration was also being introduced. A Special Administrator would in theory have responsibility to achieve the best results for the creditors as a whole, but at the same time ensure there was minimum disruption to students. It was not yet clear how these two apparently conflicting demands were to be reconciled or whether traditional insolvency practitioners were fully equipped to take on this role. Furthermore, it was uncertain whether the students who were to be protected were simply existing students or included prospective students.”

The impact of the new insolvency regime [comma omitted] 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 reminded Governors and senior management that, under the existing regime, their personal financial liability if the College became insolvent was somewhat uncertain and its extent had not been tested in the Courts. The new legislation would undoubtedly make their position more onerous, more in line with that of company directors, but the exact impact was still far from clear.

The Chair of the Board thanked the Chair for his feedback and stated the importance of formulating a strategy that ensured the College **would remain solvent**.

03/17. **Matters Arising**

Events –

1. Student Production ‘The Addams Family’ – 29 March – 1 April 2017;
2. Governors’/SLT Social – 4 April 2017;
3. Student Production ‘Footloose’ – 9 – 12 May 2017; and
4. H.E. Graduation Ceremony – 7 July 2017.

Governors were requested to RSVP to the Clerk.

04/17. **Principal’s Report and Presentation – Strategic Update**

The Board received a paper (previously circulated and presentation slides tabled) providing an update on the position of the College 8 months after the merger on 1 August 2016.

The Board commended the style of the report, in that it gave a useful overview of the College’s progress and agreed that it would appreciate future Principal’s Reports in a similar style going forward.

Governors discussed the following areas identified by the Interim Principal as still to improve –

- Instilling confidence in students;
 - Helping students prepare for university and work interviews;
 - Improving further enrolment and retention in an increasingly competitive environment;
 - A Level in R.E.;
 - Communicating more widely the successes of the College to the wider community.
 - Higher Education – accuracy of enrolment projections and quality of student experience.
- Governors considered the key strategic issue was how the Group could develop a high-quality offer to a relatively small number of students. Possibly, this meant being more selective in what was offered, improving how the Group identified provision to grow and improving the quality of the HE student experience. SLT was looking at refurbishing part of the Art Block at the LR campus to offer a dedicated HE Centre.

The Interim Principal was asked what issues she would focus on going forward. These included -

- how does the Group make life easier so that students achieve and staff are happy?

- how does the Group plan for the Sixth Form funding challenges going forward?
- How does the Group meet the continuing challenges of the merger?

The Board discussed how it could provide strategic support to deal with the short to medium-term implications of merger. Whilst the Group needed to progress with merging systems and bringing together two large organisations with different approaches to achieve a better-quality outcome and add value to the Group, this should be done in a planned and managed way. Prior to the merger taking place, both boards had been aware of the risk of lack of investment in systems and resources going into the merger and this was evidently crystallising in some areas across the Group; support areas were stretched and the merger had come at a challenging time when GCSE A levels were changing and the Apprenticeship Levy was being introduced.

The Board concluded that the SLT should consider whether it needed additional resources in the short-term and if so, how much this could cost and where this could be found. The Interim Principal responded that SLT looked frequently at this issue; however, the Group was awaiting the impact where there was uncertainty (i.e. linear A levels).

05/17. Summary of Minutes from Committees

The Board Chair set out an explanation of the roles of the committees going forward. Committees would focus on support and challenge on the core issues within their Terms and report them to Board, leaving Board free to focus on key strategic challenges.

The Chairs of Committees presented a summary of decisions of meetings held during the Winter Term as follows:

Quality, Standards & Curriculum Committee – 27 February 2017 (Draft Minutes previously circulated) – the Chair explained that the Committee was now pressing for timely information and earlier identification of students at risk to prompt early intervention. She made a commitment that the Committee would pursue vigorously the implementation of the data dashboard. The Committee would also maintain its focus on student outcomes.

Josh Prior, one of the Student Governors and President of the Sixth Form Student Council, had explained to the Committee his role as Student Council President and described some of the work he had undertaken and the impact on learner experience of the work of the Student Council at the Sixth Form. She had sought assurance that the Sixth Form Student Council's concerns that students receive more support for private study were being addressed. She also reported that the Committee had received an interesting presentation on sub-contracting and commended this to all governors.

The Committee had received an update report on Safeguarding activity across the Group. It had expressed concern at the high number of suicide risk referrals reported and sought assurance on how the Safeguarding Team was responding.

The Committee had considered reports on learning walks completed at the English and Welsh Bridge campuses on -

1. Employability Competencies; and
2. Stretch and Challenge.

and had discussed the future role of governors with respect to Learning Walks. The Committee Chair had undertaken to raise this at Board and therefore governors were circulated with the Committee Chair's Briefing Note and AoC West Midlands 'Top 12 Tips' on lesson observations for governors (tabled).

The Clerk reported that each committee would undertake a review of effectiveness which would include a review of its Terms of Reference, reporting and minutes, with the outcome of adding value and increasing effectiveness.

Search and Governance – 8 February 2017 (Draft Minutes previously circulated) - In the absence of the Committee Chair, the Clerk presented the following –

06/17. Corporation Opportunities – Appointment to Board

The Corporation had received an expression of interest for the Committee's consideration for the Parent Governor (Shrewsbury College student) vacancy. Having interviewed the candidate, the Committee considered that the candidate's previous experience as a governor at an International School would be beneficial and recommend to Board that the candidate be appointed for a Two Year Term with effect from 22 March 2017.

Resolved:

That Michael Thompson be appointed as a Parent Governor for a Two-Year Term with effect from 22 March 2017.

ACTION: Clerk

07/17. Code of Conduct

The Committee had considered a revised and updated Code of Conduct for consideration (previously circulated). Eversheds had provided the 'base' document; this ensured that the Code was up-to-date and compliant with legislative requirements and set out a summary of governors' expected code of conduct, role and responsibilities. The Board was advised that Governors were NOT required to sign a Declaration within the Code but rather agree that it be observed to the best of governors' abilities.

Resolved:

That the Code of Conduct be approved

ACTION: Clerk to include in Governors' Handbook.

Finance and Business Operations – 7 February 2017 (Draft Minutes previously circulated). The Committee Chair presented the following –

08/17. Terms of Reference of Finance & Business Operations Committee

Following a decision at the Group Board meeting on 12 December 2016, to create a new Human Resources Committee, the revised Committee Terms of Reference were considered (previously circulated).

The Committee had agreed that the Terms be amended to offer either ex-officio membership to the Group Chair or Vice Chair or the ability to be a member in their personal capacity instead. The Committee Chair asked the Clerk to ensure that the Terms reflected this.

Resolved:

That the Terms of Reference for the Committee, as amended, be agreed.

ACTION: Clerk to update

09/17. College's Financial Position and Mid-Year Financial Budget – Update

The Committee had considered a report (previously circulated), setting out the revised outturn position for the year including key highlights and performance against Key Performance Indicators (KPIs). The outturn position had been updated to include the most up-to-date forecast data for the two key areas of risk identified through the management accounts:

Highlights included -

- Skills Funding Agency (SFA) allocation: The College was not going to achieve its SFA target allocations for 16-18 Apprentices and Adult apprentices.
- Higher Education (HE) numbers: The College had recruited fewer learners than planned; however, the position had improved from the former Shrewsbury College's position in 2015/16. It was anticipated that the planning of HE student numbers would be more accurate in future years. SLT would be carrying out a strategic review of the HE provision in preparation for the 17/18 provision planning.
- A full mid-year review of all other College budgets had taken place and appropriate amendments had been made to the budgets to reduce the income gap. The Senior Leadership Team (SLT) would continue to identify new income streams and/or efficiency savings to reduce the gap to zero by the year end.
- The adjusted current ratio based on the revised outturn for the year was 1.44, with both cash and accrued expenses remaining high.
- Year-End Forecasts for cash balances were noted.
- Financial health based on the year to date position was Good and this grading was expected to be maintained for the full year position.

Resolved:

That the Group's Financial Position and Mid-Year Financial Budget, as updated, be approved.

10/17. Liability Insurance for Managers and Governors

The Committee had considered the possible liability implications for governors in the Technical and Further Education Bill and had recommended that it was prudent to increase the indemnity limit by an additional £5m.

Resolved:

That the Group Governors' & Officers' Liability insurance indemnity limit be increased by an additional £5m.

ACTION: GVP - FAM to action.

11/17. Health and Safety Report

The Committee noted the termly Health and Safety Report covering the following issues:

- Health and Safety Policy;
- Health and Safety Policy Statement;
- Reportable Incidents – None;
- Fire Evacuation Procedures – 2 false alarms at LR site;
- Accidents – 15 to date; 2 more than this time last year. All were of a very low nature;
- First Aid – London Road – noted as an area for improvement;
- First Aid – Welsh Bridge (WB)/English Bridge (EB) – sufficient qualified staff; and
- PPM compliance – All remedial works had been completed for the highest priority items.

Resolved:

That the Health and Safety Policy and Health and Safety Policy Statement be approved.

Human Resources Committee 20 February 2017 (Draft Minutes previously circulated). The Committee Chair presented the following –

12/17. Terms of Reference of Human Resources Committee

Following a decision at the Group Board meeting on 12 December 2016, to create a new Human Resources Committee, the Committee Terms of Reference were considered (previously circulated).

Resolved:

That the Terms of Reference for the Committee be agreed.

ACTION: Clerk to update

Audit Committee – 7 March 2017 (Draft Minutes previously circulated). The Committee Chair presented the following –

13/17. Annual Value for Money (VFM) Report and Policy

The Committee had reviewed the VFM Policy (previously circulated). The Committee had observed that there were reputational risks associated with dissatisfied students and considered that student views be captured as part of the student voice framework.

Resolved:

That the Value for Money Policy be approved.

Special Search & Governance Committee – 8 March 2017 (Draft Minutes previously circulated). In the absence of the Committee Chair, the Clerk presented the following –

14/17. Corporation Opportunities – Appointment to Board

The Corporation had received an expression of interest for the Committee's consideration for an Independent Governor vacancy. Having interviewed the candidate, the Committee considered that the candidate's understanding of the role and skills in financial management and experience of the higher education sector would be beneficial and had recommend that the candidate be appointed as an Independent Governor for a Four Year Term with effect from 22 March 2017..

Resolved:

That Richard Heath be appointed as an Independent for a Four-Year Term with effect from 22 March 2017.

ACTION: Clerk

15/17 Committee Membership Review

The Committee had considered a review of the committee membership and had acknowledged that there would need to be a further membership review to accommodate the allocation of possible new Board members to committees.

Resolved:

That the revised committee membership be approved, including that –

- 1. Governors advise the Clerk to the Corporation if they would be interested in serving on the Human Resources Committee and Special Committee;**
- 2. Richard Heath be appointed to the Finance, Business & Operations Independent Governor Committee vacancy;**

- 3. the issue of governor involvement in the Business and Community Forum be held in abeyance until the arrival of the new Principal;**
- 4. the Strategic Working Party be disbanded; and**
- 5. Andy Allen be appointed as Lead Governor for Apprenticeships and Marketing.**

In accordance with Standing Order No.16, the Board was advised that the Committee had appointed Anne Dukov as an external (co-opted) member of the Human Resources Committee with immediate effect. She had expressed an intention to resign as an Independent Governor at the end of Spring Term. As she had an interest in maintaining links with the governance of the College, the Committee had accordingly agreed that her skills in HR would be beneficial and both Mr Gilmour, as Chair of the Human Resources Committee (and co-opted onto the Search Committee for the purposes of this item) and Mr Channon, as Board Chair, endorsed her suitability as an external member of the Human Resources Committee.

The Committee had also agreed that the election process for the vacancy for an Academic Staff Governor from the Welsh Bridge/English Bridge sites be commenced.

Resolved:

That the thanks of the Board be placed on record to Anne Dokov for her valued contribution on both the Shrewsbury Sixth Form College Board and committees and the Shrewsbury Colleges Group.

Resolved:

That the Draft Minutes and comments of the committee chairs be noted.

16/17. Feedback from Business and Community Forum

The Business and Community Forum had been held on 1 March 2017.

17/17. Draft Calendar of Meetings Proposed for the Group Board and Committees 2017 – 2018

The Board considered a schedule of meetings proposed for 2017 – 2018 (previously circulated).

Resolved:

That the schedule of meetings proposed for 2017 – 2018, be approved for circulation and publication.

18/17. Management Accounts – Year to Date 2016/17

The Group Vice-Principal, Financial and Asset Management, submitted the latest set of management accounts up to 28 February 2017. These had been reviewed and approved by the Finance and Business Operations Committee on 7 February 2017.

Resolved:

That the Management Accounts for the Shrewsbury Colleges Group up to 28 February 2017, be approved.

19/17 Draft Memorandum of Understanding (MoU) with Chester University

The Quality, Standards & Curriculum Committee had considered the draft document at its meeting on 27 February 2017. The Committee had discussed the strategic implications of seeking a

MoU with the University (the Sixth Form had had a collaborative arrangement with the University prior to merger) and agreed that the College should establish further the nature of the commitment expected through the Memorandum and what similar arrangements the College already had in place before placing the Memorandum before the Board. The Board Chair, Committee Chair, Chair of Finance & Business Operations and H.E. Lead Governor accordingly met with the Group Vice Principal, Quality and Curriculum Management to assess the proposed document against existing agreements with other partner universities. Having revised the Document to stress the collaborative nature of the expected relationship and that the document would form the basis of discussions going forward, the Board

Resolved:

That the Draft Memorandum of Understanding with Chester University be approved.

20/17. Date of Next Meeting – the Board agreed that an additional meeting be held in May 2017, in order to meet formally with the Principal. Governors were invited to advise the Clerk their preferred date – either Monday, 15 or Monday, 22 May 2017.

PART II – CONFIDENTIAL ITEMS

Governors agreed that Items 21/17 and 22/17, be considered as confidential 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.

The Staff Governors left at this point.

21/17. Draft Confidential Minutes

Resolved: That

- 1. the Draft Confidential Minutes of Finance and Business Operations Committee held on 07 February 2017, be noted; and**
- 2. the Draft Confidential Minutes Human Resources Committee held on 20 February 2017, be noted.**

22/17. Report of Group Vice Principal, Human Resources Development

Resolved: That

- 1. the programme costs as set out in section 5 of the Confidential Report be approved and that consultation with staff commence on this basis;**
- 2. The Group Vice-Principal, Finance & Asset Management provide a detailed overview of impact on three year forecast;**
- 3. The Group Vice-Principal, Human Resource Development draft a version of the proposal for sharing with staff and unions and a PowerPoint presentation for use to launch the consultation; and**
- 4. Consultation commence prior to the Easter 2017 break**

Interim Principal/CEO

The Board acknowledged that this was the last Board meeting to be attended by the Interim Principal/CEO, Lyn Surgeon before her departure in April 2017. Prior to the meeting, governors had presented to her several gifts to commemorate her period as Interim and to express the Board's grateful thanks for her hard work and commitment to the role. She in turn thanked the governors and senior leadership team for their support and hard work and expressed how much she had enjoyed her period as Interim and her hopes for a successful future for the Group. The meeting concluded at 8.29 p.m.