

MINUTES

Group :	SHREWSBURY COLLEGES GROUP – BOARD MEETING	Date:	03/07/2017
Location:	ORIGINS RESTAURANT, LONDON ROAD CAMPUS, SHREWSBURY	Time:	6.00 p.m.
Membership:	Gordon Channon, (Chair), Andy Allen, Michael Bishopp, Patrick Bowen, Christine Davies, Sarah Gibbons, Christina Gore, Iain Gilmour, Richard Heath, Elizabeth Hird, Nigel Merchant, Josh Prior, David Pulford, Rob Rosson, Rex Sartain, James Staniforth (Principal/Chief Executive), Michael Thompson, Verity Underhill and Michael Willmot.		
IN ATTENDANCE:	<u>Members of the Senior Leadership Team:</u> 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. Clerk to the Board – Tracy Cottee		
APOLOGIES:	Patrick Bowen, Iain Gilmour, Sarah Gibbons and Michael Thompson.		

Prior to the meeting, governors received a development briefing from the Director of Curriculum Support on the College's Safeguarding and PREVENT arrangements, with particular reference to the local context.

Governors were signposted to the Education & Training Foundation's on-line development modules on Safeguarding for governors and were advised that all governors would be expected to complete the modules before 1 September 2017. A copy of the presentation slides was circulated to all governors after the meeting.

Prior to the meeting, the Chair presented gifts to the following governors, who would be leaving the Board before the next Board meeting –

Michael Bishopp, Chair of Finance, Business and Operations Committee (F, B & O);
 Elizabeth Hird, Support Staff Governor, English and Welsh Bridge Campuses (EB/WB); and
 Verity Underhill, Support Staff Governor, London Road Campus.

The Chair and Board members paid tribute to their hard work and commitment to the Board and College and they each received a gift as a token of appreciation.

PART I – OPEN ITEMS
27/17. Declarations of Interest

Richard Heath declared a Standing Interest as an employee of Harper Adams University.

28/17. **Minutes**

Resolved: That the Minutes of the following meetings be approved –

**22 March 2017; and
22 May 2017.**

29/17. **Matters Arising**

Events –

1. H.E. Graduation Ceremony – 7 July 2017; and
2. In-College Training 10 & 11 July 2017.

The Board was advised that all staff would be expected to update their mandatory development in safeguarding and PREVENT. In response to a governor query, the Group Vice Principal, Curriculum Support and Business Development (GVP – CS&BD) reported that four students had attended the Arianna Grande concert in Manchester and were receiving support from the College. The Principal confirmed that he was personally reinforcing the wearing of I.D. badges on the College sites.

30/17. **Higher Education – Strategic Update**

The Group Vice-Principal, Quality and Curriculum Development (GVP – Q&CD), provided a strategic update (previously circulated) to the Board with respect to Higher Education (H.E.) on the following topics –

- During 2016/17, a new H.E. Study Support Tutor had been appointed in response to student feedback, using HEFCE funding received through the Student Opportunity Grant to improve recruitment, retention and achievement from minority and disadvantaged groups;
- The Estates Strategy had identified space at London Road for an H.E. Centre; this space should be renovated and available from the end of the Autumn Term 2017 and would provide students with improved classroom and social space;
- A Memorandum of Understanding had been approved by Board (Board Min No 19/17 refers) and signed with the University Centre of Shrewsbury (UCS) in May 2017; this provided a positive opportunity to work more closely on curriculum development and progression opportunities;
- Progress against actions identified in the H.E. Strategy continued to be monitored through the H.E. Enhancement Working Group which met 6 times a year and had representation from Senior Leadership Team (SLT);
- HEFCE had visited the College on 7 June 2017, to gain an update on the College's HE Strategy, its approach to Quality Assessment, students' outcomes, academic experience, including student voice, representation, satisfaction and engagement (including NSS), governance, student recruitment patterns for 2016-17 and 2017-18, progress against action plan to improve student satisfaction, NSS return rates and preparations for the forthcoming Quality Review Visit. HEFCE had confirmed in a letter its confidence in the actions being taken to improve student satisfaction;
- Regarding recruitment for 2017/18, applications and offers were being monitored on a weekly basis. Advice Events were continuing to take place up until the end of the Summer Term. Governors were advised of applications to date; and
- The Group had received confirmation that the QAA would visit the College to carry out the anticipated Quality Review Visit between February and June 2018. The Quality

Team had set up working groups to map the College's provision against the Quality Code in anticipation and would be preparing evidence for the visit in September 2017. A lead student representative was in the process of being appointed.

In response to a governor query, the GVP – Q&CD explained the Teaching Excellence Framework (TEF) and hoped that the College would receive an excellent outcome from the QAA visit.

31/17. **Summary of Minutes from Committees**

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

Quality, Standards & Curriculum Committee – 08 May 2017 (Draft Minutes previously circulated) – whilst there were no recommendations for the Board to consider, the Committee Chair, in response to a governor query, considered that the College had made progress with respect to teaching and learning outcomes, although the impact of measures reported to the Committee would only be known when results had been received. The Principal confirmed that student retention and attendance had improved and English and maths GCSE results looked to improve across the three campuses. However, despite work with students to improve outcomes, as the only college that had gone fully linear, understanding the outcomes in the context of other colleges would be a challenge in terms of sixth form achievement rates and the College was not yet able to measure fully the impact on improving teaching and learning as a whole.

In response to a governor query, the Principal reported that he had recently attended the Sixth Form Colleges Association (SFCA) Annual Conference and had spoken to a key OFSTED figure about the issue of implementing linear A levels and had been reassured that OFSTED had some appreciation of the issues.

Search and Governance – 24 May 2017 (Draft Minutes previously circulated). The Committee Chair presented the following –

32/17. **Determination of Board**

The Committee had considered the current Board Determination of 21. The Board had already agreed that the Determination be reduced to 20 and be further reduced but on expiry of Governors' Terms. The resignation of Mr Bishopp had provided this opportunity. Having considered the current skills set, succession plan and terms of office of the current governors, the Committee recommended that the Board Determination be reduced to 20 from 31 July 2017 and thereafter to 19 on the expiration of the Term of the EB/WB campuses Support Staff Governor on 19 September 2017.

Resolved: That the Board Determination be reduced to 20 from 31 July 2017 and thereafter to 19 on the expiration of the Term of the EB/WB campuses Support Staff Governor on 19 September 2017.
ACTION: Clerk

In addition, the Committee Chair reported that –

- the Committee had requested all committees to participate in both committee and personal evaluation, as part of the governance self-assessment process. The Clerk confirmed that S&G, F, B&O and Audit had completed their committee assessments and Q,S&C and HR would complete theirs in the Autumn Term. All governors had been asked to submit their personal self-assessments to the Clerk;
- the Board Development & Training Programme would be considered by the Committee in the Autumn Term.;

- the governance KPIs were monitored by the Committee and, generally speaking, governance performance against them was positive; and
- although not adopted, the Committee had noted compliance against the English Code of Governance in all essential details.

Finance and Business Operations – 13 June 2017 (Draft Minutes previously circulated). The Committee Chair advised that Janet Stephens, former Group Vice-Principal, Finance & Asset Management (GVP – F&AM) had left the College to take up the post of Chief Operating Officer at Telford College of Arts & Technology. He paid tribute to her professionalism and support whilst at the Sixth Form and through the merger process.

33/17. Group Financial Forecast and Draft Budget 2017/18

In introducing the Draft Budget (previously circulated), the Committee Chair explained that -

- The Draft Plan presented supported the continued progression and integration of systems and processes to support the delivery of services for the curriculum provision;
- The Plan also recognised the numerous funding challenges and financial difficulties facing colleges nationally and, as a consequence, represented a prudent view of income streams.
- The operating outcomes demonstrated Good financial health. He explained that the most obvious way for the College to improve its financial health grade to Outstanding would be to generate and retain significant cash surpluses. However, these cash surpluses would then not be available to reinvest in the College. The Committee had considered that holding surplus cash above that expected to be needed would be contrary to the College's overall aim to deliver the best outcome for students.
- The College was aiming for a financial health grade that meant that the College would generate sufficient cash to meet its obligations. A secure financial health grade of Good implied this and would be delivered by this Draft Plan.
- Capital projects were within the Plan and included the continued integration of IT systems. Additional sums had been included to fund the relocation of Art from London Road Campus (LRC) to English Bridge Campus (EBC). this would be the first phase of integrating curriculum teams and would help to realise the opportunities from merger.
- The continued risks for the College were the principal areas of uncertainty in the budget related to variable income, delivery of the Adult Education Budget (AEB) and the delivery of apprenticeships following the Levy changes.
- The Education and Skills Funding Agency's (ESFA's) approach to financial health had become more focused on EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation) and the operating cash generated that this measure represents. The target for this budget was at least 5% EBITDA, which supported a Good financial health grade, which would be achieved.

In response to a governor query as to why the Committee had recommended a strategic decision not to pursue Outstanding financial health at this time, the Committee Chair explained the parameters required to achieve Outstanding and that the Committee had concluded that, currently, it was not to the Group's strategic advantage to seek Outstanding financial health, as it was more important to seek outstanding in the quality of teaching and learning.

The Committee had been reassured that the Budget had been prepared prudently, robustly and carefully and the Principal and SLT were of the view that it could be achieved. In conclusion, the Committee Chair explained that the Draft Budget represented a secure Good financial health grade with the ESFA which kept the College within its banking covenants. This Draft Budget would enable the College to achieve a GOOD financial health rating and would allow for a reasonable amount for capital investment expenditure; there was scope to improve the capital investment expenditure.

The Board acknowledged the possible impact on the Budget of the Government's indication that it would consider, on a case by case basis, the public sector pay gap, which might include the education sector.

Resolved: That the Group Financial Forecast and Draft Budget 2017/18, be approved, including Financial Plan objectives.

34/17. Draft Fees Policy 2017 – 2018

The Draft Policy (previously circulated) set out for staff and students the College's approach to the remission, charge and refunding of fees. All figures had been discussed and tested by SLT.

Resolved: That the Draft Fees Policy 2017 – 2018, be approved.

In response to a governor query, the Principal explained arrangements to support the Finance Team, including preparation of the Financial Statements, whilst the College sought an appointment to the Finance Director post.

The Board Chair thanked the Committee Chair for his thorough and considered briefing at his last meeting.

Audit Committee – Special Meeting - 27 June 2017 (Draft Minutes previously circulated).

The Committee Chair advised that the Special Meeting had been called to consider the notes of the inquorate meeting of the Audit Committee held on 20 June 2017 and to ratify any decisions and recommendations to the Board required. The committee evaluation had highlighted this as an improvement action and he had asked the Clerk to review the Terms of Reference to ensure this would not happen again. It was observed that the Committee still had 1 vacancy for either a co-opted committee member or an Appointed Governor and the Committee Chair invited expressions of interest for membership. The Clerk confirmed that search activities for a co-opted committee member would continue.

35/17. Appointment of Internal Audit Service and Financial Statements Audit Service.

A tender exercise had been conducted with respect to the appointment of both an internal audit service and financial statements audit service to Shrewsbury Colleges Group. Having been through the process, which had involved the Committee Chair and the Chair of F, B & O, TIIA LLP was selected as the Internal Audit Service and Grant Thornton as the Financial Statements Audit Service.

Resolved that:

- 1. TIIA LLP be appointed as the Internal Audit Service to Shrewsbury Colleges Group with effect from 01 August 2017, for a four-year period; and**
- 2. Grant Thornton be appointed as the Financial Statements Audit Service to the Shrewsbury Colleges Group with effect from 01 August 2017, for a four-year period.**

36/17. External Audit 2017 – 2018 Audit Plan and Strategy

The Committee had agreed that the Plan and Strategy timetable fitted well with the Audit Committee meeting cycle for 2017 – 2018.

Resolved that: the External Audit 2017 – 2018 Audit Plan and Strategy be approved.

37/17. **Internal Audit 2017 – 2018 Plan and Strategy**

The Committee had agreed that the Plan and Strategy timetable fitted well with the Audit Committee meeting cycle for 2017 – 2018.

The Committee had agreed that the draft schedule be amended by the removal of an assurance audit in learner numbers planned for 2017 – 2018, with an appraisal audit looking at the process and effectiveness of the merger, with particular reference to moving curriculum to English Bridge.

Resolved that: the Internal Audit Strategy and Plan, as amended by the substitution of an assurance audit in learner numbers planned for 2017 – 2018, with an appraisal audit looking at the process and effectiveness of the merger, be approved.

38/17. **Management Accounts – May 2017**

The Board reviewed the Management Accounts (previously circulated).

Resolved: That the Management Accounts for the Shrewsbury Colleges Group up to 31 May 2017, be approved.

39/17. **Capital Projects – Progress Review**

The Principal reported that the Group Vice-Principal, I.T. and Strategic Development had taken over the leadership of the capital project to relocate Art provision to the English Bridge campus. In response to a query from the student governor, the Principal confirmed that, regarding Study Centre space at English Bridge, arrangements have been amended in response to student feedback.

40.17. **Assurance Reports**

The Board received (previously circulated) and reviewed the following assurance reports –

- Safeguarding;
- PREVENT; and
- SEND.

41/17. **Draft Sub-Contractor Management, Supply Chain Fees and Charges Policy**

The Group Vice-Principal, I.T. and Strategic Development, in presenting the Draft Policy (previously circulated), explained that changes to the existing policy reflected reference to the ESFA and overall budgets. This Policy underpinned the sub-contracting strategy set out in the Financial Plan.

Resolved: Sub-Contractor Management, Supply Chain Fees and Charges Policy, be approved.

42.17 **Staff Governor (English and Welsh Bridge Campuses) – Nomination**

The Clerk reported that, following the end of Term of the Staff Governor for the EB & WB campuses, nominations from eligible members of the College staff to the Vacancy created had been sought. One Nomination from Steve Lewis (a teacher of chemistry) was received. Therefore, no election was held.

Resolved: That Steve Lewis be appointed as Staff Governor (EB & WB campuses) for a Four Year Term, with effect from 4 July 2017.

43/17. Principal's Report

The Board received the Principal's Report (previously circulated) providing an update on the following –

- National policy;
- Academic and vocational attendance;
- Academic and vocational retention;
- Academic and vocational provision;
- GCSE English and maths;
- Applications update; and
- Student Success.

The Board commended the content and style of the Principal's Report and agreed that it would wish to see further reports presented in this format going forward.

44/17. Date of Next Meeting – Monday, 25 September 2017 @ 6.00 p.m. The Board agreed that, if possible, the meeting be held in Origins Restaurant.

PART II – CONFIDENTIAL ITEMS

Governors are asked to agree that Item 45/17 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.

The Staff Governors left at this point, the Student Governor having left earlier in the meeting.

45/17. Draft Confidential Minutes

Resolved: That

- 1. the Draft Confidential Minutes of the Special Board Meeting held on 22 May 2017, be approved as a correct record; and**
- 2. the Draft Confidential Minutes of the Human Resources Committee meetings held on 24 April and 12 June 2017, be noted.**

With respect to Board Min No. 25/17, the Chair reported that he would be looking to arrange a meeting of the Branding Task Force in mid-September 2017.

The meeting concluded at 7.41 p.m.