



Minutes of the Board meeting held in the Board Room at Derby Road on Thursday 9th March 2017 at 5.00 pm

GOVERNORS PRESENT: Kate Allsop (until 6.00 pm)
 Ian Baggaley
 Nevil Croston
 Terry Dean
 Jamie Fryatt
 John Holford
 Dame Asha Khemka DBE
 David Overton
 John Robinson (until 6.00 pm)
 Mark Williams
 Marc Jones
 Jane Hawksford

ALSO IN ATTENDANCE: Andrew Martin, Deputy Principal/Director of Finance
 Tom Stevens, Executive Director Capital Projects and Estates
 Louise Knott, Vice Principal: Communications, Engagement and Student Experience
 Patricia Haman, Teaching and Learning Consultant
 Andrew King, Director: Strategy and Innovation
 Tracy Thompson, Vice Principal: Human Resources and Organisational Development
 Julian Smith, Director: Learning and Innovation
 Maxine Bagshaw, Clerk to the Corporation

The Chair opened the meeting and asked that congratulations be formally recorded regarding the positive Ofsted inspection outcome. It was noted that there are grade 2's all throughout the report, the draft report having been received in today. The Chair of the Board asked that their thanks and appreciation be passed on to all staff it being the case that the outcome reflects their dedication and commitment. The final report from Ofsted is expected shortly and then the College will be released from its embargo.

The Chair also passed on his congratulations to Dame Asha Khemka who has been appointed to sit on the Board of the Institute for Apprenticeships.

ACTION by whom	DATE by when

Signed : _____ Chair

Date:

17.01 DECLARATION OF INTERESTS

The Chair reminded Governors present to declare any interests that they may have on items to be considered. No interests other than standing items were declared.

17.02 APOLOGIES FOR ABSENCE

Apologies for absence were received from Tim Clarke, Malcolm Hall MBE, Alison Breedon and Lesley Roberts.

17.03 MINUTES OF THE MEETING HELD ON 26TH JANUARY 2017

The minutes were reviewed and it was agreed that they were an accurate record of discussions. One grammar change was requested at page 5 where the word 'the' should be inserted in the penultimate sentence of the central section, so as to read 'one of the Governors felt that if this' The Clerk confirmed that she would make this change.

AGREED: to approve the minutes of the meeting held on 26th January 2017.

There were no matters arising.

17.04 ACTION PROGRESS TABLE

Members reviewed the action progress table presented and were happy to note the content of the update provided.

17.05 VISION BUSINESS UPDATE

In the absence of the Vice Principal Employer Engagement and Business Development the Director for Strategy and Innovation presented this item and directed members' attention to the Vision Business dashboard update. Key matters brought to members attention were:

- New vacancies (College direct delivery) total vacancies are 43 with 34 of these being new for February. 9 vacancies still not filled at the 30 days +. This was 31 not filled in the same period for December so the team are moving to fill vacancies much more quickly. This should be seen as the team moving in the right direction.
- Green learners (College direct delivery) 48 now, this was 13 in total at the end of December, so again the team are showing an ability to create a pool of learners, however only 15% are current College learners and therefore the target has been established to increase this position.
- Telesales conversion rates – the conversion rate is currently 65%, this was previously 56%, the target is 70%.

Signed : _____ Chair

Date:

Again the view is that the team are moving in the right direction and the improvements are based upon a still developing sales team.

- Complaints and complements (College direct delivery) the team are seeing more complaints coming through, however it is felt that this is response to a more transparent complaints process. This is being encouraged so that any issues can be quickly addressed.
- Learners past their planned end date (College direct delivery) the number of apprentices 90+ days is 52, this should be compared with 90 in the December period. Overall in all categories the numbers are reducing which is a positive position. It was explained that the number of learners past their planned end date impacts upon timely success and funding.
- Learners past their planned end date (partnership delivery) the number at 90+ days is 531 and this should be compared with 742 in December. Again the position is improving and moving in the right direction but still a way to go.
- Starts against profile by age (College direct delivery) in terms of 16-18 the position is slightly behind profile whereas the 19+ is roughly in line.
- Starts against profile by age (partnership delivery) both 16-18 and adult apprentices are slightly behind the expected position.
- Financial performance – the statistics show that in relation to 16-18 there is still an amount on the system to be earned, however there is more of a gap regarding adult delivery.
- Withdrawals from programme - year to date for both College direct delivery and partnership delivery has increased. As a general comment the Board challenged the senior team and indicated that on the basis of these statistics provided they could not really see the comparisons with the prior year or national benchmarks. They felt that the information provided does not go far enough. They also cannot from the information provided in all aspects see what the current position is against target.
- Learners on a break in learning – there has been a slight reduction in the level of withdrawals for College but an increase for partners and therefore there are some conversations to be had. In terms of the learners on a break in learning both the College and partners need to make sure that as many of these learners as possible come back and do not turn in to withdrawals.
- RO6 achievement rates (all levels) shows a slight dip overall but an improvement in terms of timely.
- Apprenticeship achievement rates for 2015/16 – at all ages and all levels the College and partner provision is above the national rates.

CH

Signed : _____ Chair

Date:

In discussing the data provided the Board felt that the statistics provided in relation to starts does not correlate and compare with the information provided in terms of funding. It was explained that different apprenticeships attract different rates of funding, that this will have made a difference and makes it difficult to compare on a like for like basis.

The Board observed that there is critically a lot of work to do in this area with the College being in a deficit position which seems to be getting worse. The Board specifically asked that the Vice Principal for Employer Engagement and Business Development attend the next meeting so that further discussion in relation to this position could be had.

VP EE&BD

April 2017

The Board then went on to discuss the partnership review. It was explained that there are ongoing discussions with all partners regarding their profile to April 2017 to attempt to maximise outputs in to the new reform funding arena. Contracts that have been issued only to March 2017, due to the uncertainty over SFA funding allocation past this point in time, are being extended by one month to reflect that the new funding reform is beginning May 2017. New start contracts have been adjusted for certain partners and these are detailed in the spreadsheet. It was confirmed that the spreadsheet shows all subcontract partners and identifies those with new starts and also those with only continuation funding.

All traineeship funding is being withdrawn from all partners due to a strategic decision not to support this activity in future. Traineeship allocations that were in place have been realigned to Adult Education Budget to run employability provision and sector based work academies as this provision has much better support from JCP and outcomes outperform those with traineeships. The Board were reminded that Traineeships is funded through the adult budget and because of quality concerns previously reported to the Board a strategic decision was taken to withdraw from the traineeship market. The Board observed that there is some keen sector interest on the viability of subcontractors/partners. The Board challenged the team and asked whether the contract reductions proposed will impact upon any organisations viability. The Director for Strategy and Innovation was unable to provide a definitive answer to this question at the meeting.

CH

One Board member cross referenced the partner contracts with the bad debt loss reported in subcommittee meeting minutes at circa £450k. They questioned and challenged what sort of assurance they could obtain that the processes in place are sufficient to negate the risks and address partner vulnerability as far as possible. The Board felt that this was an awful lot of money to be at risk because of partner activity.

Q/CH

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Date:

Q The Board questioned how the College incurs losses in terms of its partner delivery. They asked for assurance at the next meeting that these losses weren't preventable. It was agreed to pick up this issue as a matter arising with a short paper to be provided at the next meeting regarding partner payments and how any losses/costs incurred that are not recoverable in relation to partners have been arrived at. They queried whether, in an insolvency situation, the College's own processes are robust enough to minimise the risk.

VP EEBD

21st April
2017

AGREED:

A, to note the content of the update provided, and

B, Approve the amendments to the contractor list/allocations as presented.

17.06 **OFSTED OUTCOMES (CONFIDENTIAL REPORT TO THE BOARD IT BEING THE CASE THAT OUTCOMES ARE EMBARGOED EXTERNALLY AT THIS POINT IN TIME)**

Patricia Haman introduced this item and provided a key summary:

Inspection – February 2017

- 4 days with 12 inspectors, this varied between on-site activity and those with partners
- Outcome - overall effectiveness grade 2
- Effectiveness of leadership and management grade 2
- Outcomes for learners grade 2
- Quality of teaching, learning and assessment grade 2
- Personal development, behaviour and welfare grade 2
- Apprenticeships grade 2
- Learners with high needs grade 2
- 16-19 grade 3

It was explained that the grades are now by funding streams rather than by schools of learning.

- They found that the outcome grades were reflective of the SAR, this is a key improvement and something that was identified as an area for improvement at the previous inspection.
- Managers demonstrated ownership and leadership. All staff pulled together and it was amazing. The real team ethos was commendable.
- The inspectors did not report on traineeships given the very low numbers remaining.

Summary of key findings:

- Senior leaders have put the College at the heart of the local community, enabling it to raise aspirations and support the areas cultural and economic regeneration.

Signed : _____ Chair

Date:

- Managers have invested in excellent specialist resources, staff use these well to help learners develop skills that are well matched to the needs of regional and national employers.
- Managers support the work of the Colleges many subcontractors leading to a consistently good standard of apprenticeship training. It was acknowledged that this was a really important finding given the number of partners that the College works with.
- The large majority of young learners, adults and apprentices successfully complete their qualifications. The proportion of apprentices who do so within agreed time limits is above the rate for other providers.
- Apprentices develop a good range of vocational skills which allows them to contribute well to the work force. This was evidenced by inspectors going out and talking to a lot of employers.
- Adult learners and apprentices benefit from good quality teaching which helps them to make good progress.
- Learners will high needs progress and achieve in their studies at least as well as other learners, because of the good standard of individual support they receive from specialist staff. The inspectors were somewhat surprised to see that these students are timetabled within the usual classes and it is encouraging to see that they do as well as their peers.
- Managers have made good arrangements that enable the large majority of learners aged 16-19 to participate in useful work experience and enrichment activities.
- Staff support learners well to develop their understanding of topics relating to diversity of British values, this has helped create a respectful and inclusive College environment. The Board were advised that the College has done an awful lot of work in this area and it was pleasing to see that students were fully aware of their own knowledge and understanding.
- A strong tutorial programme provides learners with very effective personal support which helps them overcome barriers to learning.
- The quality of teaching, learning and assessment on 16-19 study programmes requires improvement to be good, weaker aspects hinder the progress of learners.
- Too few learners on classroom based programmes achieve their qualifications in English and Mathematics or improve their skills sufficiently.

Next steps:

- Develop post inspection QIP. This will be similar to the College wide QIP in style so that there is a seamless process for assimilating and monitoring all actions.
- Maintain momentum and build on strengths.
- Relentless monitoring.

Signed : _____ Chair

Date:

- Continuous improvement for
 - a) Students
 - b) Our community
 - c) Our employers
 - d) Our partners
- Ofsted 2021 - the aim is to be outstanding.

The Principal and Chief Executive indicated that personally she saw leadership demonstrated at every level. There was real teamwork and the draft report received in today reads very well. She indicated that inspectors were very complimentary about the governance arrangements and they saw clear evidence of support and challenge with clear examples of the Board holding the senior team to account.

AGREED: to note the update provided.

17.07 D2N2 AREA REVIEW 2017 RECOMMENDATIONS

The Deputy Principal introduced this item and a summary of the position was provided by way of presentation. Key matters noted were:

- Objectives of the review - each area review should establish the best institutional structure to offer high quality provision based on the current and future needs of learners and employers within the local area.
- Steering group role
 - a) Review, test and recommend options.
 - b) Consider the capacity of each option to generate a business plan which can create confidence in each institution for fulfilling the objectives over the long term.
 - c) Consider the impact on groups of learners with protected characteristics in line with the requirements of the Equality Act 2010.
- Emerging themes:
 - a) Development of curriculum to meet business needs.
 - b) Addressing the challenges presented by rurality and ensuring equality of access to provision. It was explained that these included travel to learn considerations.
 - c) The need to focus and develop skills and provision at level 4 and above.
 - d) The need to grow apprenticeships to contribute to the government's target of 3 million by 2020, particularly in the advanced and higher levels. It was acknowledged that the College is an apprenticeship leader, however there is still more to be done in terms of higher level.
 - e) Seeking to ensure that all Colleges in the area are on a strong sustainable financial footing.
 - f) The need to establish a leading local forum for improvements and increased coherence of the offer to high needs students.

Signed : _____ Chair

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- g) The need to establish a strategic forum to develop the means of presenting a strong voice for FE within the LEP governance structure.

Decision making:

- a) Governing bodies are responsible for deciding whether to accept the Steering Groups recommendations in relation to their institutions
- b) This is an 'in principle' commitment to deliver the recommendation subject to due diligence, statutory consultation, the agreement of creditors where required and the business case and plan for the structural change being approved by the Colleges Board prior to the change.

Testing our options includes:

- a) Financial stability.
- b) Achieving appropriate specialism.
- c) Raising quality.

Recommendations:

There are 9 recommendations based on proposals put forward by the Colleges in the Derby, Derbyshire, Nottingham and Nottinghamshire area review. The options include a benchmark summary data table.

Recommendations include:

- 1) Bilborough Sixth Form College to continue to take short term actions to improve its financial position pending completion of a structure and prospects appraisal within a year of the end of the review to confirm a sustainable long term solution (including academisation or other structural change including merger) for implementation by December 2018.
- 2) Chesterfield College to standalone working with Derby College to create a joint venture company to cover a range of shared services and back office functions to achieve efficiencies and create opportunities for growth.
- 3) Derby College to standalone working with Chesterfield College to create a joint venture company to cover a range of shared services and back office functions to achieve efficiencies and create opportunities for growth.
- 4) Vision West Nottinghamshire College to standalone
- 5) Central College Nottingham and New College Nottingham to continue to concentrate on the merger to form the Nottingham College as recommended by the FE Commissioner in the Nottingham Education Review in July 2015.
- 6) Portland College to standalone as a specialist provider for HNS
- 7) Working with Colleges and local authorities in the D2N2 area and the LEP, Portland College to establish and lead a local forum for improvement and increased coherence of offer to HNS locally and associated CPD. The group to report in to the new strategic forum.

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- 8) The Colleges in the D2N2 area should collaborate to consider establishing IOT's which meet specialist employer needs. All the Colleges will work together across the D2N2 area to ensure that plans for IOT deliver a coherent offer to employers.
- 9) The LEP to convene a forum to include the local authorities and Colleges to allow a strategic dialogue to take place around skills provision and the needs of local employers, supported by regular intelligence sharing to inform curriculum development. The group will monitor and support the delivery of the area review recommendations.

The Board were happy to:

- a) Note the content of the update provided; and
- b) Approve the recommendation for Vision West Nottinghamshire College that it proceed as a standalone organisation.

17.08 MID-YEAR REVIEW OF COLLEGE STRATEGY AND PERFORMANCE

The Deputy Principal introduced this item and confirmed that there were some fundamental challenges ahead for the College. He provided a presentation summary and explained that his report was intended to cover:

- a) implications of area review
- b) financial position and challenges
- c) HE strategy – the College has had some challenges in this area and there is a need to address
- d) key performance measures – there is a need to be clear where the College is in terms of national averages disclosed, particularly in the ABR process
- e) BKS.B.

There are a number of Area Based Review implications and these include:

- Demographics – statistics show that there is a significant drop in numbers over the coming years, this will lead to a shortfall in income and therefore it is critical that the College adjusts its cost base to reflect the position.
- Apprenticeship reform assumptions – it was explained that a prudent approach has to be taken given that there is so much uncertainty in the sector. The College has a big programme of delivery, however it significantly relies upon subcontractors. There is the expectation that the use of subcontractors will shrink moving forward and therefore the College has to grow its own delivery to offset the losses.
- Adult learning – at the current time the College is struggling to spend its allocations as the funding criteria is so narrow. This is really provision that the LEP wants to see.
- College AEB - £6.9million flat for the past 2 years.
- Current year spend lagging profile.
- Access courses, NVQ, Traineeships, localness factors in spend.

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- In-year further subcontracting is planned, this is because the College has to use its AEB allocation budget or will lose it. In addition if there is more funding flexibility announced then the College will need to be in a position to respond quickly and avoid a fundamental opportunity that may be missed.
- Funding rules and entitlements do not help.
- Institute of Technology – the expectation is that there will be
 - a) joint proposals across the region
 - b) LEP support
 - c) Government funding support for equipment
 - d) Health care most likely
- Strategic forum, this is:
 - a) common recommendation of recent ABR outcomes
 - b) supports the drive toward integrated planning
 - c) likely to test if the system has unmet demand.

Financial position and challenges:

- Starting point is that 2015/16 was weaker than 14/15.
- 2016/17 has been a strong year to date.
- The College will not hit its budget.
- Second half of the year is critical for outturn,, particularly apprenticeships
- 17/18 brings continued pressure as 16-18 income will be down again. Key to the Colleges future are apprenticeship opportunities and the Colleges ability to respond.
- Fundamental to deliver over the next 18-24 months to secure the future.

Mid-year forecast indicators:

- Income down by £1.8million.
- 16-18 apprentices down this is own College delivery and partners.
- Adult apprentices up for partners.
- All college apprentices are down by £1million.
- HE is down by £260k.
- ESF has been removed at £1.5million,
- BKSb ahead of budget,
- Vision Apprentices is in a rundown phase,

Overall position:

- Group surplus down to £1million.
- Reduction of £377k.
- College weaker by £631k.
- BKSb up by £44k.
- VWS one off gain of £440k.

It was explained that the College core delivery will be making an overall loss and the College will not hit its breakeven budget.

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Date:

All agreed that the numbers were incredibly challenging and accepted that the College has a lot to do in terms of reducing pay costs and rightsizing the delivery costs.

HE Strategy

It was explained that the strategy that is in place is not working and therefore it is important that the College does things differently. A new approach is needed and part of this will include partnerships with NTU and Derby. OFFA is to target priorities. UCAS is to be utilised to broaden market access. The College will consider seeking awarding powers although it is not certain whether this will be a help or a hindrance. There needs to be a curriculum fit to WNC and local Key Stage 5. In reviewing this particular set of data the Board all agreed that the level of decline was a concern.

Key Performance Measures

As a starting point it was explained that the College has to look at and review its existing targets as they are wildly ambitious. What is needed instead is a suite of progress measures which will expand further in the sector. These to include:

- Value added progress measures are now published and are a key measure for Ofsted.
- WNC v National and local Colleges.
- Key focus of Ofsted inspection.
- Our monitoring needs development.
- Current position.
- Future developments for publication and use.
- Key performance measures English and Maths 16-18 – Derby College is doing particularly well. WNC has to do more particularly in terms of Maths.
- Key performance measures A-Levels – the College is 2 out of 6 on the progress score.
- Key performance measures applied general – these are the level 3 BTEC type qualifications. The College sits 3 out of 6.
- Key performance measures technical level – the College sits 2 out of 6.
- Key performance measures destinations – these are sustained destinations over two terms. The College is ranked 4th out of 6 and therefore it is important to get the processes in place to robustly measure in year.

BKSB

- Core business continues to flourish.
- Competition and threats remain.
- Opportunities to use market position to expand revenue streams.

Signed : _____ Chair

Date:

- International business developing.

Summary position

- Good inspection outcome.
- Maintaining financial stability.
- Area review likely to offer what was anticipated.
- Some good opportunities for the business.
- Pressures and risks are mounting up.
- Need to tackle impact of demographics.
- Important to deliver on priorities.

Q In general discussion the Board questioned whether BKSBS are developing other products, it was confirmed that they are and details were provided on a confidential basis.

In terms of working with UCAS it was noted that this is a big change in terms of fees but also there will be a need to increase internal resource to facilitate developments.

All agreed that it was important to be realistic regarding demographics. It was explained that there are two curriculum areas that are 'bucking' the demographic trend and these are 1) Care and Education and 2) Construction. The College is also seeing applications up in some previously declining areas and therefore there seems to be no real trends that can be anticipated and matched.

Q The Board questioned whether the Baker Clause will lead to a positive position in terms of access to schools and student recruitment. It was felt that it would inevitably be a positive and that schools will be forced to allow other providers in to schools to give information, advice and guidance to students.

A key area of improvement which has been noted previously is the level of early withdrawals. The College saw 300 early withdrawals this year which equates to circa £1.2million. The College really needs to better understand and address why this happens. It was felt that the College from day one needs to be able to offer students more flexibility and offer better induction, advice and guidance etc.

AGREED: to note the update provided.

17.09 **COMMITTEE MEETING SUMMARY**

AGREED: to note the content of the report provided on the portal.

17.10 **MINUTES OF THE FINANCE AND ESTATES COMMITTEE MEETING HELD ON 21ST FEBRUARY 2017**

AGREED: to note the content of the minutes.

Signed : _____ Chair

Date:

17.11 MINUTES OF THE STANDARDS COMMITTEE MEETING HELD ON 23RD FEBRUARY 2017

AGREED: to note the content of the minutes.

17.12 AOB

There were 2 items of additional business.

- 1) The Student Union President took the opportunity to provide information regarding a 'sponsored snore' that he is participating in. Governors were invited to sponsor him outside of the meeting.
- 2) The Clerk drew members' attention to the letter dated 8th February 2017 from HEFCE providing details on the annual provider review preliminary assessment.

AGREED: to note the update provided.

17.13 DATE OF NEXT MEETING

The Clerk confirmed that the next scheduled meeting was Thursday 27th April 2017 at 5.00 pm.

17.14 CONFIDENTIAL MINUTES OF THE REMUNERATION COMMITTEE MEETING HELD ON 17TH JANUARY 2017

The content of the minutes was noted.

17.15 MINUTES OF THE VISION BUSINESS SUPPORT SERVICES MEETING HELD ON 21ST FEBRUARY 2017

The content of the minutes were noted.

17.16 CONFIDENTIAL MINUTES OF THE FINANCE RESOURCES AND ESTATES COMMITTEE MEETING HELD ON 21ST FEBRUARY 2017

The content of the minutes were noted.

Meeting closed at 7.10 pm.

Signed : _____ Chair

Date: