WEST NOTTINGHAMSHIRE COLLEGE
CORPORATION BOARD

Minutes of the Corporation Board meeting held in the Board Room, Derby Road site on Thursday 11 July 2013 at 5.30 pm

GOVERNORS PRESENT:	Kate Allsop Ian Baggaley Tim Clarke (until 6.00 pm) Nevil Croston Diana Meale Malcolm Hall Adrian Harpham John Holford Asha Khemka Amy Mellon Marie Oakton David Overton Colin Sawers Chris Winterton
ALSO IN ATTENDANCE:	Maxine Bagshaw, Clerk to the Corporation Andrew Martin, Deputy Principal Patricia Harman, Deputy Principal Tom Stevens, Executive Director: Capital Projects & Estates Louise Knott, Director: Communications, Marketing & Learner Engagement Graham Howe, Vice Principal: Business Development

		ACTION by whom	DATE by when
14.18	**APPOINTMENT OF THE MEETING CHAIR**		
	In the absence of Jean Hardy it was agreed that Nevil Croston, the Vice Chair of the Board, would Chair this meeting.		
	AGREED: To appoint Nevil Croston as the Acting Chair for this meeting only.		
14.19	**DECLARATION OF INTEREST**		
	The Acting Chair reminded those present to declare at the start of the meeting any interests to be considered. Standing declarations were noted. It was agreed that none of the declarations prohibited participation in discussion.		

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14.20	**WELCOME, INTRODUCTIONS & APOLOGIES FOR ABSENCE** Apologies for absence were received from Chris Bodger, Terry Dean, Jean Hardy, Mike McNamara, Hari Punchihewa and John Robinson.		
14.21	**MINUTES OF THE MEETING HELD ON 23 MAY 2013** AGREED: That the minutes were a true and correct record and were signed by the Acting Chair.	Acting Chair	11 July 2013
14.22	**MATTERS ARISING AND ACTION PROGRESS REPORT** There were no matters arising from the minutes. The action progress report was noted.		
14.23	**TRAINEESHIPS** The Vice Principal: Business Development introduced this item and indicated that the summary presented was in response to the training request made by governors at the June Residential, members` attention was drawn to the following: 1) Why the development of Traineeships? • Traineeships are designed for young people who want to work but need extra help to gain an apprenticeship, or employment. They are intended as a wrap around programme to support individuals into apprenticeships or employment. • Replacing lost provision, a) entry to employment and b) employer led apprenticeships. • Fits with the agenda to raise the participation age. 2) Content: • The programme is designed to fit around individual learner needs and includes high quality work placement, work preparation training and English and Maths. The anticipation at this stage is that the work placement will be linked to the subject area that the individual identifies, this is likely to lead to a challenge for the sector. • Will last for a maximum of six months. • Age 16-24 learners. • Only available to Ofsted Grade 1 and 2 providers. 3) Initial thoughts: • Difficult to secure sufficient work placements – an employer is required prior to enrolment. This will be challenging for the sector. The College could use Vision Apprentices as the employer, but this is a risky strategy as it is not entirely compliant with the spirit of the intended traineeship programme. • No additional funding for College for 16-18 Traineeships. However, ideal target range to grow talent for the College`s 16-18		

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- apprenticeship programme. A similar programme for 19-24 learners can be delivered through ASB without a work placement, which would make it much easier from an operational point of view.
- Plan is to deliver 16-18 Traineeships where the College has capacity through a) Vision Workforce Skills IT & Construction, and b) College Rail & Construction.

In general discussion it was acknowledged that the College does not have to deliver 16-18 Traineeships, but if it does not, the risk in not doing so may be reputational as the introduction of Traineeships is a very strong political initiative in the sector. It was noted that no additional monies will be made available to colleges who provide Traineeships and that they will have to be funded from existing allocations. The positive side, however, is that this route would help to secure the College`s existing allocations if it under recruits to 16-18 apprentices as seen in 2012/13.

The Principal indicated that the Traineeship model does not offer a 'level playing field' in the sector as private providers get additional funding, but colleges have to use their existing EFA allocations. Because the EFA funding is on a lagged learner number basis, there is a double impact to the College. She confirmed that the college sector has highlighted this anomaly, but it is unknown at this stage whether any variances/flexibility will be introduced.

AGREED: To note the content of the presentation provided.

14.24 **<u>PRINCIPALS REPORT</u>**

1. The Principal introduced this item and drew the following specifically to members` attention from her comprehensive report:

- Comprehensive spending review 2015/16 – key points:
  a) Money will be saved in the 16-19 budget through continued implementation of the Richards & Wolfe reforms.
  b) BIS funded further education will save £260million by privatising higher value qualifications and reducing none participation spending.
  c) Apprenticeship funding will transfer directly to employers following a consultation this summer incorporating reform of BIS delivery systems and HMRC PAYE systems.
  d) A single growth fund of £10billion (£2billion a year over five years) will be established and available to LEP's (only including capital funding).
- The expected saving from Further Education in total will be approximately £350million, with additional savings coming from implementation of loans and planned ending of funding for sector skills councils.
- Traineeships will be extended to 19-24 year olds (though it is not known when), the College has debated the possibility of

introducing this extension, but has yet to make a decision as it is harder to obtain placements and the College could do more to improve its employability skills provision/budget.

- Funding for employer ownership pilots will rise to £100million per year and incorporate unit learning funding in the future.
- Significant new requirement will be placed on out of work benefit claimants to have CV's, additional contact with JCP and ESOL classes if they do not speak English.
- The overall DfE budget is up by £0.4million, whilst the BIS expenditure falls by 6%, this implies little change to 16-19 funding.
- Whist Further Education colleges had little mention the plans for UTC's and Studio Schools were championed as outstanding vocational locations.
- The main detail around LEP's and the single local growth fund (SLGF) will have an impact upon the College:
  a) The SLGF will be £2billion a year from 2015 – 2020 taken from skills, housing and transport budgets, of which £5billion will be committed to transport capital expenditure.
  b) LEP's will bid for their allocation from this on the basis of their strategic growth plans.
  c) The fund will be entirely for capital expenditure.
  d) In addition LEP's will gain control of £6billion additional funding from EU structural and investment funding as well as smaller pots of funding.
  e) LEP's will control around £20billion by 2020.

2) Actions and priorities from the Business Strategy Residential – there was a consensus that a strategic plan was required and a shorter (four page) sharper document capturing the organisation`s ambitions was required. In terms of the business plan, Governors had no disagreement with regards to the organisation`s direction of travel. Governors were happy to note the continued improvements in relation to self-assessment. Governors were happy to support plans for the new Engineering premises. It was noted that the capital bid decision should be known on the 19 July 2013.

3) Education and Training Foundation – following the recent call for college principals to apply for membership on to the new Education and Training Foundation (formerly the FE Guild) Board, the Principal was able to confirm that her nomination was successful, and she will take her place on the Board at the first meeting in July. This organisation is almost a direct replacement for LSIS.

Members` attention was drawn to the schedule of events already planned for 2013/14 and detailed in paragraph 6 of the Principal`s report. It was confirmed that the Governor Links for 2013/14 would be in relation to 'events' rather than Schools of Learning. It was agreed that the Clerk would circulate a schedule of events with proposed links ready for commencement in the new academic year.	Clerk	1 Sept 2013

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In general discussion, members acknowledged that the key messages from the comprehensive spending review highlight that funding for 16-19 year olds will stay the same and that adults will have slightly more funding available.

Governors agreed that the June residential strategy event was incredibly useful and allowed Governors to share in developing a clear direction for the College. The College has clear priorities whilst at the same time has been, and will continue to be, responsive to opportunities. In terms of the launch of the LEP growth plan, this will all be about creating new jobs, much of which are intended to be in the private sector. Skills and College contribution to these will be a key part of the equation in this area.

The Executive Director: Capital Projects & Estates then took the opportunity to update Governors in relation to the Chesterfield Road premises and the lease proposed for the Studio School. This was an action point following the June residential meeting. Whilst unable to give a very detailed response to the questions and issues raised, he did confirm:

a) That the College does have a model agreement to review.
b) The College would be granting a 125-year lease at peppercorn rent rate. The lease allows a break clause for the tenant at 25 years.
c) The lease arrangements would be a full repairing lease and, as a consequence, the College would get the building back in the same state as provided to the Studio College/DfE on commencement.
d) If the College`s Studio School does not succeed, then there is a clause in the lease to allow the Secretary of State to put another education provider in the premises,
e) The College is not sure yet what would happen if the building is empty, there are still outstanding questions with the DfE in relation to this.

The Principal was able to confirm that the Studio School team have now made an appointment for the Principal Designate for the Studio School. This will lead to accelerated activity in this area.

AGREED: To note the content of the update provided.

14.25 PROPERTY STRATEGY UPDATE

The Executive Director: Capital Projects & Estates introduced this item and drew the following to members` attention:

- New Build & Enclosed Courtyard – building fully operational with the Health Spa, Hairdressers and Restaurant all open at weekends. The overall project cost that includes furniture, loose fittings, professional fees and VAT at £10,847,731 is within the approved budget of £10,968,853.
- The cladding of the six-storey tower and other buildings – progress against programme is good. The LRC and Enviro Block are scaffolded and prepared for the cladding installation. Scaffolding to the west and north elevations of the six-storey tower has commenced.

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- All signage relating to the Sherwood Care Centre is to be removed for external refurbishment of the elevation, scheduled to commence on 22 July 2013.
- Regent Street – dilapidation work is underway to enable the building to be handed over to the landlord.
- Internal redecoration of rooms at Thoresby Street commenced in preparation for full use as teaching space in September 2013 as part of the decant arrangements during the cladding programme.
- Thoresby Street to be taken off the market for sale until the redevelopment of the Derby Road campus is complete in 2014.
- College Capital Investment Fund (CCIF) – the College was informed on 25 April 2013 that it had not been successful in a bid for grant funding to support the Engineering Centre. An application has been resubmitted on 24 May 2013 as part of the second round of bidding. A decision is anticipated on 19 July 2013.
- Engineering Centre value engineering – Corporation Board has previously approved expenditure of £3million to support the purchase of Unit C, Gateway 28 and relocation of Fabrication and Welding and Motor Vehicle curriculum. The design team met to determine feasibility and final affordability of relocating all the Engineering curriculum in a single project, should the College not be successful in its bid for additional funding. This was discussed extensively at the residential and, as a consequence of value engineering, the cost has been reduced from £5.8million to £4.6million. Members` attention was drawn to appendix a, which details the project variables. It was noted that the total project development, which will go ahead if the College is successful in relation to its CCIF bid, is £5,861,520.64. If, however, the CCIF bid is unsuccessful, the project will proceed at £4,626,671.68. It was, however, again noted that at this level a lot of the environmental facilities would be affected. The Executive Director: Capital Projects & Estates confirmed that the basic design is fundamentally not affected. Cost savings are mainly environmental and could be retro fitted at a later date subject to affordability. In these circumstances, a functional, but very basic building, will be provided and savings will be achieved. They include, for example, the exclusion of any comfort cooling air conditioning and any significant building management system.

Members were happy to note the update provided and reiterated support for the development of an Engineering Innovation Centre at Unit C, Gateway 28 at a project cost of £4.6milion, inclusive of VAT.

The Executive Director: Capital Projects & Estates took the opportunity to circulate an additional tabled paper explaining the procurement approach and building contractor selection regarding the Engineering Centre project. He drew members` attention to the schedule of long list contractors detailed at page 2, Governors all confirmed that they had no conflicts of interest in relation to the list provided. The Board were advised that the long list is a schedule of companies invited to complete a

PQQ for consideration by the College. The Board were asked to approve the list and the decision was made that the Principal be given delegated authority to approve the short list of building contractors to be asked to tender for the project. It was noted that timing, in relation to contractor tender and appointment is short, and a lot of the work would be undertaken over the summer, with a short update to the Board in September.

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Members were reminded that the current OJEU construction work threshold for 2012/13 is £4,348,350, above which all public sector projects must abide by European procurement rules. These procurement rules dictate the steps in the competitive procurement process that must be followed and stipulates minimum timescales that must be allowed for each step. As the proposed work is below the current OJEU threshold, with an estimated contract value of £2.1 - £2.7million plus VAT, the preferred method of procurement is by tender and compliance with College Financial Regulations.

Having reviewed the process proposed, members` were entirely happy that it met with College Financial Regulations and was both cost and time efficient.

AGREED:

a) To note the content of the update provided.
b) Approve the continued development of an Engineering Innovation Centre at Unit C, Gateway 28 at a project cost of £4.6million inclusive of VAT.
c) Approve the long list of companies invited to complete a PQQ for consideration by the College.
d) Delegate authority to the Principal to approve the short list of building contractors to be asked to tender for the contract.

In general discussion, it was noted that the project will be undertaken on a design and build basis, Governors indicated that they would wish to see professional fees as low as possible, given prior concerns regarding the high percentage proportion of fees paid out in other projects.

14.26 **FINANCE REPORT MAY 2013**

The Deputy Principal introduced this item and the following was specifically noted:

- The financial performance for the College and Group, including VWS, is well above mid year forecast, predominantly due to the impact that VWS has had on the forecast year-end result. College financial performance remains challenging and deteriorated slightly last month after improvement in April. It is likely that the College will return an operating loss for the year, with just two months remaining to recover performance.
- At Group level the year to date surplus of £1,800k compares to a surplus of £760k forecast with VWS contributing £1,745k. The

performance of the College with a loss of £1,173k for the year to date compared to a mid year forecast of a £337k is concerning, and it is now unlikely that mid year forecast will be met. Surplus is entirely due to the contribution made by VWS.

- In month, the Group had a surplus of £158k compared to a forecast surplus of £247k with the College generating a loss of £36k. The subsidiary companies combined produced a surplus of £194k compared to a forecast of £70k surplus.
- One of the key areas of concern remains as the 16-18 apprenticeship programme, where at current rates, the College will only generate £5,071k which is £929k below forecast. College based activity is £172k behind year to date plan and partners £388k. In general terms, income is lower and costs higher than expected.
- Partner income is not the core issue within College performance though. Partner activity is still delivering approximately £272k margin before support costs, of which £62k is related to VWS, albeit with an adverse variance to plan of £57k.
- One of the most significant issues in College is the work place delivery school, where contribution is currently £690k behind plan, mainly due to income being £453k behind plan. Both pay and non-pay costs are in excess of forecast and a margin contribution of 25.7% falls someway short of target. 'Other and supporting services' contribution is currently £320k behind plan, although some of this can be attributed to additional staffing costs to support VWS.
- Total year turnover to date of £51.89million is £10.995million above the phased mid year forecast, due to the inclusion of income for VWS. Partner costs are also increased as income is past through at 100%. Therefore, excluding VWS income in the core group, Group turnover is £126k below forecast year to date. The College performance includes an overspend on pay costs of around £55k, this is mainly on temporary and other sessional (£124k), which is partly offset by a favourable variance in teaching staff (including sessional) of £151k. In month there was an adverse variance of £186k reported, mainly due to a £199k spend on temporary and other sessional staff, of which £94k is within Student Support. Spending in this area is highly sensitive and is expected to die away in the last two months of the year.
- College non-pay expenditure is over forecast by £1,693k of which partner costs represented £190k. This includes partner payments to VWS. Excluding partner payments to VWS, non-pay expenditure is worse than forecast.
- The most significant factor in the £703k adverse variance, excluding partner payments amount is the over-spend on Administration and Central Services of £375k. Premises costs in total are on forecast. There are no significant favourable variances for the year to date.
- Currently Academic, Public Services and Sport Studies and Creative Industries and Digital Technology are producing above the target contribution of 40%, however the majority of Schools of Learning are producing contributions below 30%, notably Workplace Learning 25.7% and Construction 15.1%.

- Against forecast the only direct delivery School of Learning producing significant adverse variances in contribution was in Workplace Learning (£569k).
- The balance sheet includes borrowing associated with a new build programme, with a total value of £8.5million as at the end of May 2013. This has incurred interest costs of £241k in the first ten months of the year.
- Group short-term solvency has declined over the first ten months of the year as expenditure on fixed assets has exceeded financing. Net current liability at the end of the last financial year of £. 253million has increased to £1.725million.
- Cash balances for the Group of £12.205million are higher than the forecast (by £7.63million).

Members, in discussing the financial position, questioned whether or not the College`s core performance raised any issues regarding adherence to the bank covenants regarding existing and future loans. The Deputy Principal confirmed that as the bank covenants are set against the Group performance, there were no issues as this headline is ahead of plan.

Members discussed the under-performance in relation to Workplace Learning and were advised that a significant part of the problem relates to case loading for assessors and employers. Assurance was given that a lot of work was being done to address this area.

It was noted that significant payments were made in relation to temporary staff costs. These were incurred as a result of the inspection outcomes. Members were assured that permanent staff are now in place and, as such, there is no expectation that such a significant variance would be seen in the next academic year.

Members` attention was drawn to the detail at paragraph 11, which specifically pulls out the performance for the different component parts of the organisation and clearly identifies the College position before the impact of the buildings programme. All Governors acknowledged the importance of improved VWS performance, as this is clearly highlighted within the data provided. All acknowledged that if the College Group could achieve the surplus forecast, then it would be in a really positive position for the future.

AGREED: To note the content of the Finance Report to 31 May 2013.

14.27 **BUDGET AND FINANCIAL FORECAST 2013/14**

The Deputy Principal introduced this item and confirmed that a significant review of the proposed budget was undertaken by the Finance & Estates Committee, which met on 27 June 2013. Members` attention was drawn to the detail of the minutes for this meeting. In terms of information specifically brought to Governors` attention, the following was noted:

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- Paragraph 11 – this details the draft College Group income and expenditure budget for 2013/14 financial year and should be cross-referenced with the detail at annex 1. The key headline figures were noted.
- Paragraph 12 includes the key assumptions for the budget 2013/14. In relation to assessment of likely College income, a similar process has been used as in previous years.
- Paragraph 22 College Pay Costs – again the same approach has been taken as in previous years. Pay budgets are modelled in some detail at employee level, taking into account changes to NI and pension costs, and includes the policy of automatic increments built into the proposed pay budget costs. A vacancy assumption of 2.5% has been applied to the pay cost budget.
- Paragraph 40 details accommodation assumptions.
- Paragraph 44 details the loan covenant requirements in relation to long-term debt commitments. It was confirmed that the College will hit the covenants required and detailed. All Governors acknowledged that it was important for them to monitor compliance with the covenants throughout the planning period.
- Paragraph 49 – balance sheet indicators – the College Group balance sheet will change substantially into 2014/15 following the draw down of the entire £17million borrowing facility and the ongoing expenditure on accommodation projects to deliver the property strategy. The budget for 2013/14 assumes that the second half of the facility will be drawn down in the period August 2013 to July 2014. Repayment of the loan will commence on 1 August 2014. Cash values will fall to around £7.3million towards the end of July 2013, and build for the remainder of the financial planning period. This is predominantly as a result of the forecast strong performance for both Bksb and Vision Workforce Skills. If the budgets are achieved for the next three years, then the College will be in a very strong position and will be able to repay elements of its debt.

Having taken the report as a whole, members were happy to approve the forecast and budgets presented.

AGREED:
a) To note the content of the report.
b) Approve the budget proposed for 2013/14.
c) Approve the financial forecast for the period 2013/14 to 2022/23.

14.28 **<u>COMMERCIAL LOAN PHASE 2</u>**

The Deputy Principal introduced this item and reminded Governors that they have previously agreed to approve a maximum borrowing facility of £17million, and in relation to this the College instigated a tender process on 15 December 2011, with submissions required by 11 January 2012. Five banks were invited to tender and four returned submissions.

The Board formally selected the tender of Lloyds TSB on 8 March 2012 and put in place the first half of the facility (£8.5million) backed by the European Investment Bank (EIB) on 17 May 2012. This facility was at a rate of 195 basis points above three months libor. In relation to the second facility, it was confirmed that the tender deal offered by Lloyds TSB remains competitive.

Members reviewed the detail of the full report and noted the following:

- The increase in liquidity within the market has enabled the bank to offer a longer term for the second facility. This facility was originally on a three-year evergreen basis. The current proposal is for the facility to be set on a seven year basis with the margin remaining as tendered as 220 basis points above three month libor. This would give the College more flexibility.
- The facility would be put in place as a development loan, with quarterly drawdowns in line with expected cash flow with the residual elements of the College capital programme. These draw downs will be a) £2million on 1 August 2013, b) £3million on 1 November 2013, and c) £3.5million on 3 February 2014.
- All funds must be drawn down by 1 April 2014. The funds will be used to finance the cladding scheme and the Engineering Innovation Centre as approved by the Board.
- The arrangement fee for this part of the facility will be 0.25% equating to £21,250. Coupled with the arrangement fee for the first facility of £42,500 this equates to a total arrangement fee of £65k as set out in the tender document.
- Repayments will commence on 1 August 2014 and will be structured alongside the first facility, to equate to a 23-year repayment. The first facility is set over a 16 year period which the Board has fixed. As a result, capital repayments on the second facility will be lower in the early years and increase after year 16.
- The covenants included as key conditions of this facility agreement are identical to those set out and monitored in the first facility.
- In addition, the College is required to submit key documentation including Management Accounts and Financial Statements within the prescribed timescale as it is currently committed to do in the first facility.
- As part of the preparation of the draw down of the second facility, the College has engaged with the bank to determine the extent to which interest rate exposure can be managed across the facility period.
- Unlike the first facility where the College has already committed to fix its exposure for 16 years at 4.68%, the interest rate will be managed over a maximum period of 7 years.
- Current quotations (including the loan administration fee) indicate that a total cost of funds of around 4.5% can be attained. The College long-term financial forecast has been set on the assumption of a 5% cost of funds. The Board was asked to specifically note that interest rate options are a dynamically priced product and the rate secured will be determined on the day that a fix is set in place.

- The College must decide whether it wishes to secure interest rates for the full seven years or for a shorter period of time. This is a choice between certainty and risk.
- In terms of repayment, the College is free to repay its loan at any point in time. However, whilst a fixed interest rate is in place there are prohibitive penalties if repayments are made during the managed interest period.
- To some extent the College must decide and consider, realistically, whether it is likely to be in a position to repay any of its facility during the next seven years.
- Whilst the financial plan indicates that if the College and the subsidiaries perform as forecast, then the College will be in a position to generate cash flows in excess of those required for working capital and as a result may choose to apply these to loan repayments, however, the uncertainty within the VWS skills budget in particular, would make this a high risk option to take in relation to loan repayments. For this reason, the recommendation from the Deputy Principal was to fix the period for the second loan to seven years from 1 August 2014 and consider early repayment options after this period has ended.

Members` attention was specifically drawn to page 65 and the full detail of terminology required as part of the resolution to satisfy bank requirements. Members were entirely happy that this was appropriate.

AGREED:

a) To approve the second loan facility and enter into an agreement with Lloyds TSB under the terms set out in the attached offer letter.
b) Approve the resolution/minute at page 65 to secure the facility and set in place the prescribed mandate between the College and the bank.
c) Approve the management of interest rates associated with the second facility and approve the College to enter into an interest rate management arrangement to fix interest rates for a period of seven years from 1 August 2014.

(Tim Clarke left the meeting at 6.00 pm).

14.29 <u>BUSINESS PLAN 2013/14 – FINAL DOCUMENT</u>

The Principal introduced this item and confirmed that the full document had been provided on the Governors` portal. She explained that the document was, in the main, as presented to the June strategy meeting. Minor changes have been made to incorporate any comments made by Governors, but in essence, the main thrust of the plan was as previously discussed in detail.

AGREED: To approve the 2013/14 business plan.

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14.30 PARTNER AND ERU REPORT

The Vice Principal: Business Development introduced this item and drew members` attention to the table at paragraph 1.1 of his report. He confirmed that the table illustrates the performance to date of learners currently enrolled on the MIS. This shows a total performance by the end of the year of £22.375million (83% of the allocation). This shows a current shortfall of £4.625million to achieve the revised allocations.

The current shortfall of activity to achieve contract allocations is significantly less than in May, and there is continued confidence in achieving close to the adult allocations, though the 16-18 apprenticeships target will continue to prove challenging. The performance of Vision Workforce Skills is £503k income against a plan of £1,144k. Its end of year position will be significantly reliant on the 205 x 16-18 apprenticeship starts planned over June and July. Realistically, members were advised that provision will be behind the original plan of £4million, with the achievement of between £2.8 and £2.9million expected. He explained that the team had probably been over ambitious in relation to their forecast, and had under estimated the re-start time required following a long period of inactivity.

He indicated that, as part of the continued employer engagement strategy, partners will continue to be used. He drew members` attention to the schedule of partner activity, which includes initial allocations for 2013/14 in order for the College to contract at the start of the year (historically this has been later in the year, which negatively impacts on funding performance). Initial work has reduced the number of sub contractors with new activity from 94 to 55.

In reviewing performance, it was noted that the College is now significantly above the overall success rate target for employability and NVQ and for the first time in year are at its apprenticeship target. Vision Workforce Skills have current success rates of 100% in both apprenticeship and NVQ provision (from 109 leavers).

In general discussion, it was noted that VWS recruitment of student numbers is down against target, although the Company is now seeing an upward trend in recruitment, which is encouraging. It was explained that the College has delivered a lot more provision directly, but has not seen an associated increase in contribution because of caseload inefficiencies.

In reviewing appendix a, which is the schedule of partners, it was noted that this is a summary of current year, with colours highlighted the changes in contract values linked to performance. Appendix b is the planned activity for 2013/14. Fewer partners can be seen, any identified in red with an associated 'no' will not be utilised. In addition, where the second column is red, it is unlikely that the College will be able to use these partners because of funding rules and credit ratings.

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	Members reviewed the report and were happy with the recommendations made. AGREED to: a) Note the content of the update. b) Approve the schedule of updated subcontractors for 2012/13. c) Approve initial contract values for 2013/14.		
14.31	<u>**EXCEPTION REPORT SAFEGUARDING, EQUALITY & DIVERSITY**</u>		
	The Deputy Principal introduced this item and drew the following to members` attention from her report: • The allegation of misconduct against a member of staff was reported at the last two meetings of the Board. A copy of statements of the police investigation have been received and used as part of the internal investigation in line with the Staff Disciplinary Procedure. This is now the subject of a Disciplinary Panel. The hearing will take place tomorrow, with an update provided to the Board in September.	Deputy Principal	Sept 2013
	• Safeguarding Partner Provision – a disclosure made to a Learner Recruitment Consultant was made to Barnett Council Social Care Team. The person making the disclosure was already known to the Social Care Team and is now receiving support from a psychiatrist. This is an ongoing case. • Equality & Diversity College provision – there were two reported cases in May 2013. The first report relates to the fact that a member of staff had made a comment of a racial nature in the presence of other staff members. As a result of a disciplinary hearing the member of staff has been dismissed. The member of staff has appealed and the appeal will be heard by the Principal next week. The second incident relates to an allegation made by a student that another student on one of the College buses made a racial comment to one of the international students. The student who was subject to the comment has been offered support, although it has been hard to resolve given the offsite nature of the incident. CCTV from the bus is being used in an attempt to identify the student making the comment. The investigation is ongoing but it is difficult, as no other person on the bus has identified the person making the comment. AGREED: To note the content of the update provided.		
14.32	<u>**HEALTH AND SAFETY ANNUAL REPORT**</u>		
	The Executive Director: Capital Projects & Estates presented this item and confirmed that the full report, which sits behind the summary, was made available on the Governors` portal. The following was specifically noted: • Reported accidents have decreased from a high in 2010/11 of 492 to 425 in 2012/13. The accident incident rate calculated by providing the number of incidents by FTE staff is the lowest recorded since 2007/08.		

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- RIDDOR reportable accidents have increased from 8 in 2011/12 to 15 in 2012/13. The increase is mainly due to the reporting of ill health to staff in previous employment not reported.
- Near miss reporting should be recorded and continues to be reported. This year, 9 near misses have been reported. The annual report outlines a breakdown of incidents across the College and College subsidiary companies.
- An external Health & Safety Consultant has helped the College with the completion of Departmental Audits. The absence of a member of Health & Safety staff for an extended period of time through the previous year, led to the audit programme falling behind. All School and Support Service activities will be audited in 2012/13 and 2013/14.
- Fire evacuation tests have been completed for all sites. The undertaking of an evening evacuation at the Derby Road site is becoming increasingly difficult, due to increasing usage of the CREATE Theatre, together with the opening of the Health Spa, Hair & Beauty Salons and the Restaurant. The undertaking of tests will be reviewed in 2013/14.
- Fire evacuation training is conducted on a yearly basis on the advice of Nottinghamshire Fire & Rescue Service. Previously, this has been conducted every two years. At present, the College has 81 Fire Wardens across all campuses.
- The Derby Road first aid rota is now running at 100%. In 2011/12 this was 90% due to administration staff moving to Ransom Hall. The College does not presently have formalised arrangements for first aid in the evening. The commercial Spa, Salons and Restaurant all have first aiders on duty, and it is the responsibility of the relevant School/Department to ensure that sufficient cover is available. With the increased amount of evening activity and the increased number of staff/students on campus, evenings will be reviewed in 2013/14.
- On 1 May 2013 the College received, from the Health & Safety Executive, a notification of contravention outlining the breaches in the Operation at Works Regulation. In relation to this particular case, the following was noted:
  a) HSE investigate all cases of ill health. Following the reporting of two HAV cases (hands arm vibration), the HSE visited the College on 11 October 2012.
  b) HSE representatives made two further visits on 8 and 27 November 2012 to review assessment to risks of health, elimination or control of exposure, health surveillance provision of information and training.
  c) A notice of contravention is the first level of breach of a statutory notice. This is followed by an improvement notice, prohibition notice and then prosecution. The notices alone also carry a fixed nominal charge on top of the £24 hourly rate for all time and resources for the HSE investigation.
- The College was invoiced £3,521.60 for the contravention and first level of breach of statutory duty.

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- The College received notification from the HSE that they were satisfied by the positive actions taken by the College and that the investigation was concluded.

In general terms, it was noted that the outcome is that whilst the College has not yet received a notice, it has received a fine, predominantly in relation to the HSE hourly investigation rate. It was noted that the HAV fines related to prior employment and were in fact as a result of incidents occurring in 2004/5. Prior to this incident the College team had rated this as a low risk area. This, however, is now being reviewed.

Governors indicated that if the College receives any other notice of contravention, then they would wish to see the detailed letter received by the College, with monthly updates provided during the course of the investigation.	EDCP&E	2013/14

It was noted that the College does record partner statistics separately, and that whilst there are no concerns at the moment, it is an area that they will continue to monitor.

Members discussed the level of near misses recorded and all agreed that culturally nine, given the size of this organisation, does not feel enough. The Executive Director: Capital Projects & Estates accepted that this statistic may not be representative of the true picture, and that more work needs to be done to encourage staff and students to report to obtain an accurate picture. It was agreed that Ian Baggaley and Tom Stevens would discuss this further outside the meeting.	EDCP&E	Sept 2013

Members took the opportunity to discuss the Health & Safety Committee's role and discussed and how it fits in to the structure of reporting to the Board.

AGREED: To note the content of the update provided.

14.33 RISK MANAGEMENT

The Director of Communications, Marketing & Learner Engagement introduced this item and presented for discussion the risk management strategy and register for 2013/14. It was acknowledged that both of these documents had been discussed in detail by the Audit Committee meeting in June of this year. Members` attention was drawn to the following:

- Risk management strategy 2013/14 – full document is available on the Governors` portal. The risk management strategy sets out the College's approach to the management of risks and key responsibilities within the risk framework. This is reviewed annually and is recommended to the Corporation Board for approval.
- The risk management strategy remains largely unchanged from the year 2012/13. The only change relates to the College`s risk

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assessment and reporting changes at team level. In previous years risk assessments has been tied into self-assessment. However, on review of effectiveness of this approach, in terms of ability to capture all risks in a specific area, it has been agreed that teams will be required to complete a team based risk register. Templates have been issued to Heads of School and Service for completion.

- Paragraph 2.3. details the Board/Governors` responsibility in relation to risk management. These remain broadly the same as the prior year.

AGREED: To approve the Risk Management Strategy for 2013/14 as recommended by the Audit Committee.

Risk Register 2013 – Members were reminded that the risk register is produced in two sections, the first presented now and the second in January 2014. The most significant risk to which the College is exposed relates to its 16-18 work based programme, the implementation of the Studio School and the quality of the experience for learners within the College. This is unsurprising in the context of the challenging market and the recruitment of 16-18 apprentices, challenges relating to the recruitment of young people to the Studio School and ongoing challenges in relation to Teaching and Learning. Studio School and risks related to the quality of the experience of the learners should reduce over the course of the next year.

Risks related to the College`s Property Strategy, financial stability and adult training are medium risks, however, carry a significant control dependency, this means that the College carries risk in these areas, however, its ability to manage down risk is well proven. Should controls not operate effectively in this area then the risk may come to fruition.

In reviewing the register, it was acknowledged that colleges generally carry a lot of risk given the uncertainty in the sector. Governors indicated that they would wish to see subsidiary company risks identified separately and that a specific red subsidiary risk be added and shown clearly on the corporate register. Subject to these minor changes, Members were happy to approve the risk register for 2013/14. DC&LE Sept 2031

AGREED: To approve the Risk Register 2013/14.

14.34 QUALITY REPORT

The Deputy Principal introduced this item and drew the following to members` attention:

- In line with the teaching, learning and assessment observations policy for 2012/13, as at 25 June 2013 all on campus delivery staff (344) have had a graded observation, with the exception of those who are on long-term sick or who are on maternity leave.

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- Observations for off campus delivery staff within partner providers are completed by the College`s learning consultants. 126 observations have been completed, representing 82% of partner delivery staff.
- Paragraph 2.3 shows the observation grade profile as at 26 May 2013.
- All staff who receive a grade 3 (requires improvement) or grade 4 (inadequate) observation are reobserved. All staff available for re-observation have been re-observed, and these grades are reflected in the table at paragraph 2.3.
- The teaching, learning and assessment policy and procedure will be revised in 2013/14. The key amendments will be to a) reflect higher education specifically, b) re-observation of sessions to be carried out as joint observations, and c) a re-observation grade of 3 or 4 will lead to performance management through the capability procedure.
- The College Quality Improvement Plan (QIP) takes into account the key cross College areas for improvement. Good progress has been made against all actions outlined within the QIP. The detailed report is an agenda item at the Standards Committee meeting later in the day, where progress will be reviewed.
- Additional training is to be provided for observers at the beginning of the new academic year.
- Retention in all areas of on campus provision is at a higher point than at the end of 2011/12, with the exception of 16-18 short courses, which is equal to the end of year position last year, and adult long level 4 provision which is below the year end point. If all students still on programme are retained to the end of their programme and achievement rate remains at last years figure of 93%, then the overall success rate would be 84.6%, an improvement of 6% on the 2011/12 end of year figure.
- Hair & Beauty preparation for reinspection – it is now envisaged that inspection will take place at the beginning of the new academic year. Preparations include a regular review of the data, preparation of key documents and a focus on improvements in teaching and learning and the learner experience. The process of lesson observations within this area is ongoing and the observation grade profile was grade 1 - 12%, grade 2 - 53%, grade 3 - 20% and grade 4 - 15% (this grade 4 relates to one person who has now left the organisation and one person who is still subject to support). The observation grade profile shows the proportion of good or better teaching at 65% compared with 30% in March 2013. Some staff who received a grade 3 or 4 have not been re-observed due to sickness or have left the organisation, however, their grades remain within the statistics. A restructure within Hair & Beauty will take place in September 2013. This will realign roles and responsibilities to focus on either the delivery of Teaching and Learning or the commercial aspects of the provision. The two Curriculum Managers in Hair & Beauty have left the organisation and will be replaced by a Curriculum Manager and a Commercial Manager.

AGREED: To note the content of the update provided.

14.35 **<u>GOVERNANCE</u>**

1) Committee Membership

The Clerk to the Corporation introduced this item and confirmed that membership has been discussed by each of the committees at its last meeting in the cycle and the summary on page 105 was presented for discussion. Members were happy to agree membership. It was, however, noted that Diana Meale has been missed from the list of Standards Committee Members.

It was confirmed that Committee membership would be as follows:

Audit Committee:
Nevil Croston
Diana Meale
David Overton
Chris Bodger
Adrian Harpham

Finance & Estates Committee:
Harry Punchihewa
Terry Dean
Chris Winterton
Colin Sawers
Asha Khemka
Kate Allsop
Malcolm Hall
John Robinson
David Overton (Estates matters only)

Search Committee:
Jean Hardy
Tim Clarke
Asha Khemka
Diana Meale

Remuneration Committee:
Jean Hardy
Nevil Croston
Kate Allsop

Standards Committee:
Asha Khemka
Kate Allsop
John Holford
Adrian Harpham
Marie Oakton
Rob Martlew
Diana Meale

Signed : ____________________________Chair Date:

AGREED: To approve Committee Membership for 2013/14.

2) Committee and Subsidiary Company Terms of Reference 2013/14

The Clerk to the Corporation introduced this item and drew members` attention to the proposed changes in red. The following was noted:

- Audit Committee – changes highlighted in red approved.
- Search Committee – no changes suggested and Terms of Reference to continue unchanged into 2013/14.
- Remuneration Committee – the next meeting is not until October 2013, therefore, it was recommended that there be no changes at this time, but it is subject to the review by the Committee at its next meeting – Agreed.
- Standards Committee – it was felt that the Standards Committee at its meeting later in the day, should be given an opportunity to review the terms proposed, with a further updated report to be presented to the Board for consideration at its September meeting.
- Finance & Estates Committee – no changes proposed, therefore agreed to continue unchanged into the 2013/14 year.
- Bksb – minor change highlighted in red and approved.
- Safety Plus Training & Consultancy Ltd – no changes proposed in light of the intention to move to a dormant company status.
- Safety Plus Construction Ltd – no changes proposed in light of the intention to move to a dormant company status.
- Vision Apprentices – no changes proposed and therefore agreed to continue into the new academic year.
- Vision Workforce Skills – it was noted that whilst no terms of reference were currently in place they were discussed at the most recent meeting, and full proposals will be presented for Board approval at the September meeting.

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AGREED: To approve Committee and Subsidiary Company Terms of Reference for the 2013/14 academic year.

3) Student Governor Re-appointment

The Clerk confirmed that after a hard fought battle Marie Oakton had been successful in securing a second term of office as Students` Union President. The Board`s standing orders provide for the appointment of the President of the Students` Union as one of the Student Governors. With this in mind, the Board was invited to approve the re-appointment of Marie Oakton as a Student Governor from 31 July 2013 until 31 July 2014.

AGREED: To approve the re-appointment of Marie Oakton as a Student Governor from 31 July 2013 until 31 July 2014, or until such time as she ceases to be a Student, whichever is the earlier.

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Members took the opportunity to thank Amy Mellon for all her work and contribution as a Student Governor this year, it was noted that if successful in her A'Levels, Amy will be going on to University.

14.36 **MINUTES OF THE MEETING OF THE SEARCH COMMITTEE HELD ON 23 MAY 2013**

AGREED: To note the content of the minutes.

14.37 **MINUTES OF THE MEETING OF THE FINANCE & ESTATES COMMITTEE HELD ON 27 JUNE 2013**

AGREED: To note the content of the minutes.

14.38 **MINUTES OF THE MEETING OF THE AUDIT COMMITTEE HELD ON 27 JUNE 2013**

AGREED: To note the content of the minutes.

14.39 **AOB**

There were no additional items of business.

14.40 **DATE OF NEXT MEETING**

The Clerk to the Corporation reminded Governors that the next meeting was scheduled for 12 September 2013.

14.41 **CONFIDENTIAL ITEMS**

It was agreed that the content of confidential items would be discussed and recorded separately.

Staff and students left the meeting at 6.47 pm.

Signed : ____________________________Chair Date: