



**WEST NOTTINGHAMSHIRE COLLEGE
CORPORATION BOARD**

***Minutes of the Corporation Board meeting held at the Engineering Innovation Centre on
Wednesday 17th September 2014 at 5.00pm***

GOVERNORS Kate Allsop
PRESENT: Ian Baggaley
 Tim Clarke
 Nevil Croston, Chair
 Terry Dean
 Malcolm Hall
 John Holford
 Dame Asha Khemka
 Diana Meale
 Beverley Nita
 David Overton
 Hari Punchihewa
 Colin Sawers
 Chris Winterton

ALSO IN ATTENDANCE: Maxine Bagshaw, Clerk to the Corporation
 Patricia Harman, Deputy Principal Teaching and Learning
 Tom Stevens, Executive Director Capital Projects & Estates
 Andrew Martin, Deputy Principal/Director of Finance
 Louise Knott, Director Communications Marketing and Learner Engagement

		ACTION by whom	DATE by when
14.93	<u>DECLARATIONS OF INTEREST</u> The Chair reminded those present to declare at the start of the meeting any interest in matters to be considered. No interests were declared.		
14.94	<u>WELCOME INTRODUCTIONS AND APOLOGIES FOR ABSENCE</u> Apologies for absence were received from John Robinson and Chris Bodger.		
14.95	<u>MINUTES OF THE MEETING HELD ON 10TH JULY 2014</u> AGREED: that the minutes were a true and correct record and were signed by the Chair. There were no matters arising.	Chair	17.09.2014

Signed : _____Chair

Date:

14.96 ACTION PROGRESS TABLE

Members reviewed the action progress table and noted progress. One minor correction was requested, this is the fact that item 5 - the options appraisal in relation to Thoresby Street was not presented to this meeting. It was agreed that this would be picked up as part of the property strategy update at item 7 later on the agenda.

AGREED: to note the update provided.

14.97 PRINCIPAL'S REPORT

The Principal introduced her comprehensive report and drew a number of items to members attention;

- The Derby Road campus is really exciting at the moment and is 'buzzing'. It is amazing to see so many confident and able students present.
- The Principal represented the College at the EFA national staff development day yesterday as a guest speaker. 9 students accompanied her and were all very impressive and were strongly supportive of the College.
- The Engineering site, which is the venue for the meeting today, now has the ability to accommodate 350 students. All agreed that the facilities were exceptional and that the important thing going forward is to retain the current high standards within the building.
- A Level and AS results – the College once again recorded excellent A-Level results with an overall A2 pass rate of 99.2%. This is a decline of 0.5% from the previous year but remains 1.2% above the national pass rate. A2 examination entries showed an increase from the previous year from 299 to 358 with 69% of passes at A*-C compared with 74% in 2012/13. The AS pass rate was 85% compared to 86% in the previous year. AS entries reduced slightly from 649 in 12/13 to 639. The percentage of passes at A-C was 67% compared to 69% in 12/13.
- GCSE results – the College saw a 99% pass rate at GCSE in 13/14 compared to 100% in 12/13 with entries increasing significantly from 213 to 405. In the main this is due to the requirement for 16-18 year old students who have not attained GCSE English and Maths at grade A*-C being required to continue to work towards this goal. The percentage achieving A*-C remains static at 52%. This will continue to be a key area for improvement in 14/15 but is in line with College expectations.
- The Beacon award shortlist 2014 – the College has once again been shortlisted in the AoC Beacons Award scheme in relation to the Gogglebox innovative TV show.
- Vision Studio School – the school has opened and in total has recruited 47 year 10s from a PAN of 50 and 79 year 12s against a PAN of 75. This is an amazing achievement considering the challenges of other local schools to recruit. It was explained that

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Date:

the work on the building by EFA contractors has been very disappointing, with the work carried out at merely a satisfactory level and not at the high standards that the College is used to seeing. It was noted that a full update would be provided later on the agenda as part of the Property Strategy Update.

- Members took the opportunity to discuss the exam results and were advised that the College has seen some courses doing better than others and a full assessment of performance is being undertaken. Quite clearly there are some areas that need to improve but also there are some areas performing very well. Governors were reminded that success rates are important but other measures are becoming increasingly so, for example destinations and progression information. Governors were reminded that from next month the senior team will be providing a summary of high level performance indicators at each Board meeting and this will provide Governors with a very clear mechanism for identifying and monitoring areas for concern and trends. The Principal confirmed that the 2014/15 academic year was planned to be a period of consolidation with the goal to reach 'outstanding'.
- VVIP delegation to India – alongside 40 professionals from the education and skills, aerospace & food and drink sectors the Principal participated in a VVIP trade delegation to India. The Principal's role in the delegation was twofold, as Chair of AoC India showcasing the outstanding training and education that the UK can offer and as the leader of one of the best Colleges in the country launching two exciting projects to the Indian market:
 - a) CORDIA Construction Centre in Chandigarh
 - b) Opening of BKSBS Indian office

She explained that overall she felt that the delegates, the UK and the College got a lot more out of the visit this time. The trip was an opportunity for the Principal to promote FE, the College and Mansfield. She confirmed that at this stage the College does not really have a strategy in place for development in India but she feels that there may be future opportunities. It was acknowledged that 2013/14 was a very challenging year and therefore now was perhaps not the best time to seek to exploit other opportunities but that there may be discussions to be had in 6 months time. She confirmed that BKSBS India has now been established and will start to trade in January. Premises have been secured in Chandigarh and the company is looking to employ 3 people to pursue both Business to Business and Business to Customer sales. Governors were reminded that the company has very modest expectations at this stage. The set up costs were minimal at £50k. It was acknowledged that getting the company off the ground initially has been a challenge but the team are almost there. The Board were advised that BKSBS has

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Date:

over the summer increased its IT capacity by using Amazon and Softcat. This solution gives the company more online resilience which is important for peak UK activity and international development.

- Cashless Catering – following the Government announcement that eligible students will be entitled to free school meals from September 2014 the College has implemented a cashless catering system for all staff and students. Almost 30% of students may qualify for free meals therefore enabling students to use their ID badge to pay should remove any stigma around them receiving free school meals. The system went live on 1st September with students and staff able to top up their ID badge with money either at a special machine in the College or online via credit/debit card.
- National policy updates – the Principal confirmed that what was presented was simply for information today. She indicated that at the next meeting she would present a brief paper which summarises the current political scene and influences.
- Events for the Autumn and Winter 2014/15 – members attention was drawn to the schedule of events planned for the forthcoming months, Governors were all invited subject to availability.

Principal

October
2014

AGREED: to note the update provided.

14.98 INTERIM COLLEGE ENROLMENT REPORT FOR 2014/15

The Deputy Principal Teaching and Learning circulated an additional report which provided enrolment information as at 17th September 2014. She confirmed that;

- The target for full time 16-18 learners is 2974. Currently 3104 are enrolled (104% of planned target). She explained that there would be some students who changed their mind and who would on occasion go back to school, however she is of the view that when the figures settle the College will still be on target.
- The target for 19+ full time learners is 586. Currently 538 are enrolled (92% of planned). It was explained that at this point in time this figure is likely to be relatively similar to the final position.
- The target for 24+ full time learners is 81. Currently 89 are enrolled (110% of planned).
- HEFCE targets for new full time entrants which contribute to the student number control which is 165 with a tolerance of 156. Currently 131 are enrolled 97% of plan. This equates to 84% of the SNC tolerance figure of 156.
- HEFCE full time equivalent (FTE) target is 410.5 FTE. Current enrolment equates to 388.26 FTE. There is confidence that the College will reach 400 FTE. The Deputy Principal explained that the College had seen a pattern of universities contacting students and offering them lower entry requirements and as a

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Date:

consequence some students had moved. Governors indicated that they would find it useful to receive a short report detailing which universities had contacted College students. It was agreed that this would be reported through the next Standards meeting.

Deputy
Principal

October
2014

AGREED: to note the update provided.

14.99 PROPERTY STRATEGY UPDATE

The Executive Director introduced this item and drew members' attention to his executive summary report. Members noted the detail of progress and items outstanding were specifically brought to members attention:

- Installation of high level up lighters to the tower and ground level up lighters for west elevation of the sixth story tower remains outstanding.
- Electricity supply to the Engineering Innovation Centre remains only part complete. A new electricity substation has been installed with a generator to supplement the power available as required until the power can be upgraded by Western Power distribution. A December 2014 installation is anticipated.
- Studio School - As hinted at earlier in the meeting the work at Chesterfield Road in relation to the Studio School has not been up to the standard expected and this has been reported to the Education Funding Agency. Works were sufficient to allow occupation although there is a real question as to whether or not the Studio School has got value for money in terms of the contract work completed. The team do not believe that the contractors performed as required and the contract was not managed as well as it could have been. In addition to this, during the construction period the building sustained flash flood damage on 8th, 9th & 10th August potentially causing delay to the programme of work. This has raised the issue as to whether or not flooding could occur again in the future. Governors all agreed that there was benefit in feeding back to the EFA that the framework to which contractors work simply does not work with contractors generally underperforming. The Principal confirmed that reputationally the team have got to get the building up to the expected standards as a matter of urgency.
- Thoresby Street – the Executive Director explained that he was just embarking upon an options review. This will be linked very closely to what the College chooses to do in relation to Ransom Hall. He explained that there would be a report back to the Board as previously requested in December of January of this academic year.
- Visual Arts Centre – the programme for completion of works has suffered a number of setbacks. In particular the late arrival of glass for the windows. The building was scheduled for handover on 1st September. Key staff have been able to relocate and the

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Date:

first floor was handed back to the College on 8th September for staff to prepare for student induction on Wednesday 10th September 2014. The ground floor is targeted for imminent handover.

Governors questioned whether the position in relation to Studio School causes any Health and Safety or hygiene concerns. Governors were given assurance that they did not.

AGREED: to note the update provided.

15.00 FINANCE REPORT – DRAFT 2013/14 END OF YEAR POSITION

The Deputy Principal for Finance introduced this item and confirmed that as reported previously, 2013/14 was not going to be a particularly positive result; this is principally because of the VWS loss. Members attention was drawn to the written report and a number of matters particularly noted:

- As previously reported the performance of VWS will dominate the consolidated accounts for the College group with a loss of around £5 million after making full provision of all property costs following the decision to exit all leasehold premises. He explained that this would give the College and the company a clean cut off and should help with the 2014/15 financial position. He confirmed that this treatment had been approved by auditors.
- There are a number of outstanding queries that remain to be resolved relating to the SFAs treatment of the end of year reconciliation process for the adult skill budget and a specific issue relating to a past ESF funded train to gain contract under dispute. He indicated that the team were meeting with the SFA next week and that it was important to reach a resolution in relation to these two items prior to external audit on the accounts.
- The College performance has not achieved its budget as previously communicated although has delivered close to the end of year forecast. This followed an in year restructure of work related training and the consequential cost and shortfall against original target in this area. Governors were reminded that the important decision taken was to transfer the viable VWS operations into College.
- Vision Workforce Skills will deliver an operating loss for the year of £5 million which remains very disappointing. However, the actions taken and agreed by the Board to close the company and transfer viable activities in to the College will ensure that the situation will not be repeated in 14/15.
- The loss is higher than originally expected due to the decision taken to fully provide for all property occupation cost to the break point even where this extends well in to and beyond the 2013/14 financial year. This is on the basis that no economic

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Date:

benefit will be derived from those future liabilities.

- The result for the College will be an operating surplus before interest and depreciation of £1,231k.
- Turnover for the College is slightly lower than forecast at £56,530 million although there was a missed opportunity to increase this by under delivery within both the adult skills budget and 16-18 apprenticeships.
- There are a number of additional areas of note which have impacted upon the Colleges performance during the 13/14 financial year these include:
 - a) Income from adult skills of £22.6 million included a reduction of £750k relating to late notified withdrawals across the programme related to prior years. Whilst some of this was partner related the majority related to College activity.
 - b) 16-18 apprenticeships once again failed to deliver against a reduced forecast reaching £4.95 million against an original budget of £14.4 million (including VWS) and £6.2 million in the mid-year forecast. Governors were reminded that this was and remains a very tough market. The budget for 14/15 has been set accordingly at £5 million.
 - c) HE income of £3 million is around £50k lower than forecast due to the recoverability of some tuition fees.
 - d) Vocational tuition fees of £615k are £32k behind forecast but increased on the prior year.
 - e) Education contract income including ESF programmes of £3.465 million have exceeded forecast by £562k but unfortunately have a very low margin contribution.
- The 'old' College group has delivered an operating surplus before interest and depreciation of £2.387 million compared to a forecast of £1.910 million. Whilst this is an improvement over the forecast it is still short of the original budget set at the beginning of the year.
- After depreciation and interest the old group has still delivered a small surplus of £284k compared to a forecast loss of £215k with the strength and performance provided by BKSB as in previous years.
- FRS17 charges of £1.069 million will be reported on the face of the I&E but all financial health and covenant requirements ignore the impact.
- The impact of VWS fundamentally impacts upon the overall College group result due to the losses generated. The £5 million loss recorded will result in the overall group position before interest and depreciation being reported at a loss of £2.624 million and after depreciation and interest £4.745 million.
- The reporting of this group result is in line with the expected outturn and has been communicated to both the SFA and the College bank.
- Group borrowing at the balance sheet date will be £17 million as the College has begun the repayment of its long term debts from 1st August. A quarterly capital repayment of £185k will see the

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Date:

long term loan reduced to £16.26 million by the end of the 14/15 financial year.

- The FRS17 pension deficit will see an increase at the balance sheet date to £13.2 million from the £9.74 million at the end of July 2013. This follows a decline in asset returns compared to the previous year and repeats the outcome of the past number of years with the deficit moving sharply up and down at each balance sheet date. It was acknowledged that in relation to FRS17 the College does see movements year on year and that whilst they don't impact upon the operational position there is a longer term affordability issue.

In general discussion members questioned whether the likely outturn position causes a concern for the banks. The Deputy Principal for Finance confirmed that the banks were being very supportive and indeed were extending one of the covenants regarding the loan facilities to accommodate the Colleges reserves position. Members were assured that there were no pricing implications in relation to the extension of the bank covenants.

In discussing the figures members were reminded that they are now subject to audit and that external auditors are scheduled to come in to College in October. In addition to this the College has funding auditors on site this year, either of which could raise questions regarding the accounts. Because of this process the financial statements will need to be brought back after audit.

Looking forward, Governors acknowledged that there was a need to review what the College chooses to do in relation to the Vision Apprentices subsidiary company. The Deputy Principal of Finance confirmed that proposals were being formulated and that they would be presented to the company Board of Directors.

Looking at the figures the Board acknowledged that the contribution made by BKS B to the group position was critical and questioned what needed to be done to ensure that the College core business improves and does not make a loss which requires subsidiary company support. The Deputy Principal of Finance explained that the College on its own has never been a big contributor although the financial plan for 2014/15 is a surplus. He explained that if this was achieved it would be a big step forward particularly because of the interest payments and increased depreciation charges. He accepted that the team need to improve efficiencies within College and this will mean taking some costs out of the business. Governors were given assurance that the group now has a good platform upon which to go forward in the 2014/15 year. All accepted that this academic year was very important and that there was a need to retain the focus on core College performance.

The Principal confirmed that every school of learning except one has recruited well and to target. The exception is the lifestyle academy; this

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Date:

is even after significant investment, marketing, advertising etc. Given the reducing trend of students interested in this provision the challenge now for the College is to use the exceptional facilities more commercially to derive income in this alternative way.

Governors questioned how well the College deals with increased competition and questioned whether or not, as a strategy, the Board should look to attract students from a wider geographical area. It was explained that this would take significant investment and that as a first step there was quicker work that could be done to improve the position this includes:

- a) Increasing the year 11 market share locally
- b) Looking to increase the take up of 24+ learner loans

The Board acknowledged that there was the possibility to explore distance learning but a note of caution was raised in that this is more complicated than one initially might think. The Principal confirmed that the College will pilot the first online course with AAT which is an accounting qualification on 1st November. It was explained that the College has had to do this in conjunction with another organisation who has the online platform already in place as to do otherwise would be too complicated and costly. It was explained that the College is working with the SFA and OFSTED regarding this pilot as it has much broader implications.

In relation to hairdressing, Governors questioned whether the College knows whether the dip in recruitment/interest is local or whether this reflects a much wider national picture.

AGREED: to note the update provided.

15.01 STUDIO SCHOOL

The Deputy Principal Finance introduced this item and it was acknowledged that earlier discussions regarding the building had been comprehensive. Additional items brought to the Boards attention:

- The school has 11 appointed staff. The Principal and Assistant Principal have been in post for some time. The staffing numbers were based upon a conservative estimate of 105 students although the budget provides for two additional appointments should the number reach 125. The Principal is currently reviewing the teaching requirements based on the current numbers and will make a decision on appointing additional staff in due course once student numbers settle down.
- The Board has been in place in a shadow capacity for some time supported by College employees Dame Asha Khemka, Patricia Harman and Andrew Martin with external Governors being Malcolm Hall, Lee Radford and Martin Rigley. Dame Asha has been appointed as the first Chair for the Studio School for the first year of its operation and the Board will be supported by

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Date:

- Maxine Bagshaw as Clerk to the Board.
- A date for the formal official opening for the Studio School has been set for 18th November.

In general discussion the Board questioned the governance arrangements in place as between the College, the Education Trust and the Studio School. The Board were advised that as a College sponsor there is the facility in the agreement to appoint up to 6 Governors. These individuals made up the Shadow Board. Members questioned what would happen in relation to replacement of these 6 nominees and debated whether or not endorsement should come back to the College Board. Governors indicated that they would like a future report which clarifies the legal relationship between the organisations.

Deputy
Principal
Finance/
Clerk

November
2014

AGREED: to note the update provided.

15.02 SAFEGUARDING POLICY STATEMENT

The Deputy Principal for Teaching and Learning introduced this item and confirmed that the policy presented today for review included only minor amendments to ensure regulatory compliance. Governors were all happy to approve the amended policy.

AGREED: to approve the updated safeguarding policy statement.

15.03 GOVERNANCE

1) GOVERNOR RE-APPOINTMENTS

The Clerk introduced this item and confirmed the Search Committee recommendation to re-appoint David Overton as a Governor from 31st January 2015 to 31st January 2019. The Board were entirely happy to endorse the recommendation made.

AGREED: to approve the re-appointment of David Overton from 31st January 2015 to 31st January 2019.

2) DEVELOPMENT DAYS 2014/15

The Clerk reminded Governors that at the June residential event it had been agreed that two opportunities would be scheduled in year for Governor training and development. The dates proposed were included within the report. Governors were happy to support the proposals made.

AGREED: to approve the amended calendar of meetings for 2014/15, which includes two Governor development sessions.

15.04 SAFEGUARDING ANNUAL REPORT 2013/14

The Deputy Principal Teaching and Learning introduced this item which

Signed : _____ Chair

Date:

was presented for information. She confirmed that it was important that Governors access appendix a of the 'Keeping Children Safe in Education information for all school and College staff' document and particularly note the responsibility of Governors in part two of the document, Keeping Children Safe in Education Statutory Guidance for Schools and College. Governors all agreed that they either had or would read these important pieces of information before the next meeting.

AGREED: to note the content of the Annual Safeguarding Report for 2013/14.

15.05 EQUALITY AND DIVERSITY ANNUAL REPORT FOR 2013/14

Members reviewed the content of the report and all agreed that it was self explanatory.

AGREED: to note the content of the report provided.

15.06 PARTNER & ERU REPORT

AGREED: to note the content of the update provided.

15.07 SUBSIDIARY COMPANY DIRECTOR MEMBERSHIP

AGREED: to note the content of the summary provided.

15.08 AOB

The Principal indicated that she had one item of additional business that she wished to discuss with the Board however, this will be part of the confidential items later in the agenda.

15.09 DATE OF NEXT MEETING

The Clerk confirmed that the next scheduled meeting is 16th October 2014. Governors were reminded that this would be followed by dinner.

Staff left the meeting at 6.35pm.

Signed : _____Chair

Date: