

**Minutes of the Board meeting held in the Board Room at the Derby Road site on Thursday 16<sup>th</sup> July 2015 at 5.00 pm**

**GOVERNORS**                   Nevil Croston (Chair)  
**PRESENT:**                    Dame Asha Khemka DBE  
                                      Terry Dean  
                                      Malcolm Hall  
                                      Cllr Diana Meale  
                                      Chris Winterton  
                                      Colin Sawers  
                                      David Overton

**ALSO IN**                        Maxine Bagshaw  
**ATTENDANCE:**                Patricia Harman, Deputy Principal  
                                      Andrew Martin, Deputy Principal  
                                      Andrew King, Director Strategy and Innovation  
                                      Thomas Stevens, Director: Capital Projects and Estates  
                                      Tracy Thompson, Director of Human Resources  
                                      Rachel Bates, Note Taker

		<b>ACTION by whom</b>	<b>DATE by when</b>
<b>15.01</b>	<b><u>DECLARATION OF INTERESTS</u></b>		
	The Chair reminded those present to declare at the start of the meeting any interests in items to be considered.		
	No interests were declared.		
<b>15.02</b>	<b><u>WELCOME INTRODUCTIONS AND APOLOGIES FOR ABSENCE</u></b>		
	Apologies for absence were received from Kate Allsop, Hari Punchihewa, John Robinson, John Holford, Ian Baggaley, Chris Bodger and Tim Clarke.		
<b>15.03</b>	<b><u>MINUTES OF THE MEETING HELD ON 21<sup>st</sup> MAY 2015</u></b>		
	The minutes were reviewed and agreed as an accurate record		
	AGREED: to approve the minutes of the meeting held on 21 <sup>st</sup> May 2015. These were signed by the Chair.	Chair	16.07.15

Signed : \_\_\_\_\_ Chair

Date:

**15.04 ACTION PROGRESS REPORT**

Members reviewed the action progress table and were satisfied that matters were progressing as requested.

AGREED: to note the update provided.

**15.05 PRINCIPAL'S REPORT**

The Principal introduced her report and went through the key points of note for Members present.

She confirmed that a further meeting was being arranged with the Minister for Skills who had expressed an interest in knowing the views of the sector prior to forming new policies on the future of Further Education. The Celebration of Apprenticeships event at the House of Lords had gone exceptionally well with a number of parliamentary members and peers in attendance including all 3 local MPs. The event was once again a real showcase for the college's apprentices and their employers. Dame Asha confirmed that there was a lot of discussion and activity taking place in relation to the City and the Devolution proposals, she confirmed that she was in regular contact with key figures from the City and the County and with the FE Commissioner, though no further news was available to report at the present time.

Members noted the contents of the report.

**15.06 HEAD OF SCHOOL PRESENTATION – DIGITAL AND CREATIVE INDUSTRIES**

A slide presentation was received from Steve McAlone. Members reviewed the overview presented, outcomes for learners, school approach, challenges and opportunities for the future. (A copy of the slides are attached to the minutes for information).

The Board questioned how the department ensures that the equipment used is industry standard? It was noted that the college uses Macs and it was felt that small/medium SME's may only use pc's. The Board were assured that students are provided with transferable skills. The college team constantly monitors the software available and responds as needed. The college also has some really high quality partners which ensures industry standards are maintained. It was noted that honours degrees are validated through Derby University and that through this link college students again have access to some exceptional facilities.

AGREED to note the update provided.

**15.07 KPI UPDATE**

The Director for Strategy and Innovation introduced the KPI Report to Governors and highlighted points to note:

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- Overall 16-18 full-time students numbers have increased slightly but remain below the funding allocation target.
- Apprenticeships remain strong with numbers increasing by around 500 each month.
- Customer satisfaction is showing a slight reduction around classroom based learning however this is still being analysed.
- The employer survey is not due to be returned until the end of July.
- There have been improvements on classroom based lesson observations but a small reduction for partners, this will continue to be monitored next year.
- The operating surplus has shown a positive trend in line with the Management Accounts.

It was noted that the 13/14 destinations of classroom based learners are not directly comparable with previous years as these are now collected directly from students. This will continue in order to form a baseline for future years. There are positive trends in terms of Apprenticeships particularly for Level 2 students.

AGREED to note the content of the report provided.

#### **15.08 FINANCIAL FORECAST AND BUDGET 2015/16**

The Deputy Principal/Director of Finance presented to Governors the 2015/16 College and Group budget and the financial forecast for the period from 2015/16 to 2016/17. It was acknowledged that these had been previously considered in detail by the Finance and Estates Committee who had recommended them for approval by the Corporation Board. The Deputy Principal highlighted key points of note for the Board:

- In 2015/16 the College Group will see the impact of reductions in the adult skills budget, particularly in low priority areas.
- Members were referred to the two 2 tables on page 20, the first the budget for the College and Group for 2015/16 and the second forecast outturn for 2014/15.
- It is expected that the Group will deliver a profit of £1.424 million which is slightly lower than the forecast £1.453 million.
- The College and Vision Apprentices expect to break even with bksb delivering a £1.3m surplus.
- Overall income shows as £5 million lower for 2015/16 than 2014/15 as we reach the end of ESF projects, it is expected that there will be other successful projects in 2015/16 however the timing is uncertain and therefore not included.
- Challenges are expected regarding pay costs for 2015/16 due to the increase in TPS and national insurance contributions. The teaching unions have accepted the increase in teaching hours from 800 to 836 which will secure a saving of £300k.

Signed : \_\_\_\_\_ Chair

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The subsidiary model, which will control any future back-office staff recruitment would save a further 90k.

- Non pay costs of £26.813million are dominated by payments to partners. The college is looking to reduce this budget by half a million in 2015/16 due to a number of factors including the removal of the E-Pen, move from Ransom Hall to Chesterfield Road and not undertaking a mock inspection.
- The overall operating surplus position for the college will be 20k surplus and for the Group of 1.424 million.

**Q** The Board queried what alternative measures were in place to monitor performance having taken out the mock inspections. The Deputy Principal Teaching and Learning confirmed that a number of areas to improve and other areas of best practice had been identified through the 14/15 process, these had been shared with the Schools of Learning who were working on action plans in order to implement recommendations. She confirmed that this is being monitored regularly by the Deputy Principal and Heads of School.

- The balance sheet for the Group stabilised during 2014/15 providing confidence that the result of 2013/14 was a one-off event and that actions have been fully implemented to resolve this.
- The debt finance to support the building investment has begun to reduce with a planned balance outstanding at the end of the 2016/17 financial year of £14.816million (from £17.0million) since the start of repayment in August 2014.
- The Adult Skills budget will continue to be managed and operated as a single budget but will include significant changes to the mix of provision. An allocated reduction in 2015/16 will continue into the 2016/17 financial year for low priority provision (non-apprenticeship) and will provide further challenges in meeting the priority programmes of Government.

Challenges to note were: the expectation to deliver large volumes of high quality adult apprenticeships, control of underlying costs against planned 16-18 and adult learning and maximising opportunities on pay cost efficiencies.

The Principal reminded Governors of the recent Government announcement of £450million in year savings to be made within the Department for Business, Innovation and Science Whilst there has not been an indication yet of what those savings will be, changes to the Adult Skills Budget have already been issued. The Deputy Principal will write a paper for the Board once further announcements are made highlighting the implications for the College Group.

AGREED the 2015/16 Budget and Financial Forecast.

Signed : \_\_\_\_\_ Chair

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**15.09**     **GOVERNANCE ITEMS FOR APPROVAL**

A, Student Governor Appointment:

The Chair asked members to consider the appointment of the new Student Union President, Nick Golubs who was elected on 1<sup>st</sup> July 2015. Details of the Clerk's report was considered and his appointment was duly approved for a term of 1 year from July 2015.

AGREED to appoint Nick Golubs as a student governor from 16 July 2015 until 31 July 2016 (or until such time as he ceases to be the SU president, whichever is the earlier)

B, Board appointments:

Governors further confirmed the re-appointment of John Robinson who had completed his first term of office for a second term commencing July 2015.

AGREED to the re-appointment of John Robinson as an Independent Governor from 16 July 2015 to 16 July 2019.

C, Calendar of meetings 2015/16 – this was noted.

D, Work Plan 2015/16 – this was noted.

E, Chair and Vice-Chair appointments – it was agreed that the current appointments would continue until the September 2015 meeting.

F, Committee Membership 2015/16 – discussions to be deferred to the September Board meeting.

G, Committee Terms of Reference 2015/16 – discussions to be deferred to the September Board meeting.

H, Code of Good Governance for English Colleges - discussions to be deferred to the September Board meeting.

**15.10**     **EURO CURRENCY**

Governors were advised that the college was recently been successful in bidding for European Funding through a project called ERASMUS. The contract is worth £330k euros and advice received by the college suggests that a 'Euro Currency' bank account linked to its Lloyds bank account should be set-up in order to receive the the funds. The project is an exchange programme for 20 staff and 120 students to be partnered with 5 different colleges in Europe providing funded travel and subsistence.

Signed : \_\_\_\_\_ Chair

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**Q** David Overton queried the impact on teaching, The Director Human Resources and Director Strategy and Innovation confirmed that this would be reviewed and monitored to ensure minimum disruption to any classroom activities.

AGREED to approve the establishment of a Euro Currency Bank Account for this purpose.

#### **15.11 PARTNER AND BUSINESS DEVELOPMENT UPDATE REPORT**

The Director Employer Engagement presented members with a detailed paper outlining progress within the Business Development unit and the allocation of the college's proposed partners for 2015/16. This paper had been previously reviewed by the Finance and Estates Committee who recommended it for Board approval.

The Director highlighted for members the key points of note within the report. She reiterated that for the year to commence effectively, it was fundamental that contract allocations were in place by the start of the contract year on the 1<sup>st</sup> August 2015. New start activity takes into account the partners' own delivery strategies, where they have prioritised the use of ALR or Traineeship funds to support jobs with Apprenticeship outcomes to drive Apprenticeship growth. Additionally, those partners who have employer engagement strategies which support progression to Level 3 advanced Apprenticeships have also been prioritised.

Due to increased austerity measures it is anticipated there will be increased scrutiny this year at a transactional level on SFA contract performance. To that end, it is planned that any underperformance at an individual partner level that falls outside of the SFA performance measures will result in funds being reduced and redeployed with partners who are over performing or used to attract new high performance partners in year. In addition, we will look to work seamlessly with College core delivery to utilise any potential underperformance rapidly to prevent SFA contract reduction.

The Director explained the system for how Partners are paid and the incentives for receiving timely data. Partners are encouraged to deliver timely success whereby they receive a 10% bonus if this is received within the 90 day period.

**Q** The Chair queried whether appropriate due diligence had been done on the partners, the Director confirmed they had and that a number of risk frameworks and strategies were in place to monitor during the life of the contract.

AGREED to:

A, Note the update provided, and

B, approve the contract allocation for partners in 2015-16.

Signed : \_\_\_\_\_ Chair

Date:

**15.12 RISK MANAGEMENT ANNUAL REPORT 2014/15, RISK MANAGEMENT STRATEGY AND RISK REGISTER 2015/16**

The Deputy Principal/Director of Finance introduced the Risk Management Strategy in the Director of Communication, Marketing and Learner Engagement's absence. This is the annual report regarding risk management and the activities done around risk management during the last year and the risk management strategy and risk register for 2015/16. The report was considered in detail and recommended for approval by the Audit Committee on 30<sup>th</sup> June 2015.

AGREED to approve the Risk Management Strategy 2015/16 and Risk Register 2015/16.

**15.13 ITEMS FOR NOTING**

Members attention was then drawn to items 13-22, all of which were available on the portal and presented for information. The reports and minutes were reviewed and there were no questions raised.

AGREED to note:

A, the Estates update

B, the content of the Management accounts to April 2015

C, the 2014/15 year end projection

D, the Exception Report – Safeguarding and Equality and Diversity

E, H&S Annual report 2014/15

F, Quality Report

G, Minutes of the Search Committee Meeting 26.5.2015

H, Minutes of the Finance, Estates and Employment committee meeting 26.6.2015

I, Minutes of the Audit committee meeting held on 30.6.2015

**15.14 ANY OTHER BUSINESS**

As a matter of additional business the Board took the opportunity to discuss governor attendance/presence at meetings and ways to support governors who had very busy diaries. The Board felt that there was merit in amending the Instrument and Articles of Government to allow Board members to join Board and Committee meetings by conference call and Skype. The Clerk was asked to update the I&A's accordingly.

**15.15 DATE OF NEXT MEETING**

17<sup>th</sup> September 2015 at 5.00 pm

Meeting closed 18.56 pm.

Signed : \_\_\_\_\_ Chair

Date: