

***Minutes of the Board meeting held in the Board Room at the Derby Road site on Thursday 19<sup>th</sup> May 2016 at 5.00 pm***

**GOVERNORS**                   Nevil Croston, Chair  
**PRESENT:**                    Jamie Fryatt  
                                      Nick Golubs  
                                      Malcolm Hall MBE  
                                      John Holford  
                                      Dame Asha Khemka DBE, Principal and Chief Executive  
                                      Jean Marriott  
                                      David Overton  
                                      Colin Sawers  
                                      Mark Williams  
                                      Chris Winterton

**ALSO IN**  
**ATTENDANCE:**               Maxine Bagshaw, Clerk to the Corporation  
                                      Patricia Harman, Deputy Principal: Teaching and Learning  
                                      Andrew Martin, Deputy Principal/Director: Finance  
                                      Thomas Stevens, Executive Director: Capital Projects and Estates  
                                      Andrew King, Director: Strategy and Innovation  
                                      Louise Knott, Director: Communications, Marketing and Learner Engagement  
                                      Tracy Thompson, Director: HR  
                                      Chris Thomas, Incoming Deputy Principal: Teaching and Learning  
                                      Lucy Howes, Head of School (for agenda item 5)

		<b>ACTION by whom</b>	<b>DATE by when</b>
<b>16.53</b>	<b><u>DECLARATION OF INTERESTS</u></b>		
	The Chair reminded Governors present to declare any interests on agenda items to be considered. No interests were declared.		
<b>16.54</b>	<b><u>WELCOME INTRODUCTIONS AND APOLOGIES FOR ABSENCE</u></b>		
	Apologies for absence were received from Kate Allsop, Ian Baggaley, Tim Clarke, Terry Dean, Diana Meale, Hari Punchihewa and John Robinson.		
<b>16.55</b>	<b><u>MINUTES OF THE MEETING HELD ON 21<sup>ST</sup> APRIL 2016</u></b>		
	One point of accuracy was noted on page 7. The first paragraph, it should read that 'the College is developing its own pricing structure' rather than 'developing its own apprenticeship standard'. The Clerk confirmed that she would make the change requested.		

Signed : \_\_\_\_\_Chair

Date:

Subject to this, the minutes were reviewed and it was agreed that they were an accurate record of discussions.

AGREED: subject to the minor change noted, to approve the minutes of the meeting held on 21<sup>st</sup> April 2016.

There were no matters arising.

**16.56 ACTION PROGRESS TABLE**

Members reviewed the table and were happy that matters were being addressed as required.

AGREED: to note the update provided.

**16.57 HEAD OF SCHOOL UPDATE – ENGLISH, MATHS ACADEMIC AND PROFESSIONAL STUDIES**

Lucy Howes was welcomed to the meeting and presented a School overview for English, Maths and Academic Studies. She confirmed that the team work hard to achieve the College's single objective, which is 'attaining excellence, reaching new heights'. In terms of her presentation she indicated that she would like to consider four key areas, these are:

- Context;
- Challenges 2015/16;
- Current position;
- Further development for 2016/17.

A) ENGLISH AND MATHS

In terms of context, there are 626 students studying GCSE English, 259 studying GCSE Maths, 665 studying Functional Skills English, and 950 Functional Skills Maths making a total of 2491 enrolments for 1626 students (of these 1423 were between the age of 16-18). There are a total of 30 staff within this school of learning. In the SAR performance for the 2014/15 year was graded as a 4, which is inadequate.

Challenges and goals for 2015/16 included:

- Recruiting experienced teachers;
- Standards of teaching, learning and assessment;
- Clear and accurate view of learners progress;
- Students attitudes and satisfaction towards English and Maths;
- Increased difficulty of Functional Skills Maths and English level 2.

Where are we now:

- Built a strong and confident team;
- Significantly improved communication;
- Incisive performance management;
- Improved the quality of TLA;

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

Date:

- Improved student satisfaction;
- Developed clear, accurate and shared data systems;
- Provided intervention for students.

Future plans and developments:

- Further improve leadership and management;
- Target setting, assessment and progress review framework;
- Further develop partnership with vocational teams;
- Outstanding teaching, learning and assessment;
- E-learning;
- College wide promotion and development of English and Maths;
- Improving outcomes.

## B) ACADEMIC STUDIES

In terms of the context, the Board were advised that there are 219 students studying AS (514 enrolments), 135 students studying A2 (312 enrolments) making a total of 374 students (513 enrolments). Total staff in the academic studies department is 25. Performance for 14/15 was graded as a 3, requires improvement. There are 18 different subjects at AS and 19 at A2. The College is the best A-Level provider in terms of value added in the East Midlands.

Challenges and goals – challenges include new A-Levels and local competition. The goal is to be the A-Level provider of choice.

Where are we now:

- Creating a culture where students and staff excel;
- Target setting, assessment and progress review framework;
- Incisive performance management;
- Staff engaged in quality improvement;
- Intervention and support;
- Student council introduced and improved student voice;
- Effective learner at risk strategy.

Future plans and developments include:

- Provider of choice for A-Levels;
- Move teaching and learning to outstanding;
- Further increase the rigour of assessment for learning and progress monitoring;
- Developing the whole learner experience and wider learning programme;
- Further improve the target setting, assessment and review framework.

Leadership and management – this has been developed and includes:

- High expectations of all staff;
- Robust and effective performance management of staff;
- Effective and regular communication;

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

Date:

- Engaging staff in quality improvement;
- Student voice;
- Highly effective use of learning consultants;
- Good teaching and learning.

In general discussion the Board asked a number of questions. In relation to Maths and English, they enquired whether, when students come to College, staff are challenged to get them to a 'basic standard'. It was explained that all students go through a thorough assessment and there is evidence to show that students are not always performing at the grade obtained prior to coming to the College. What the process does is focus on the students gaps and it is not the intention to repeat the whole Maths and English teaching process.

In terms of staff within the department, the Board questioned what the balance is between staff continuity and turnover. It was explained that all new staff are given a mentor/buddy and are also supported by a subject lead. In terms of new staff this year, all have integrated in to the team very quickly and they have described the College as a supportive family arrangement. In terms of the turnover statistics noted at 70%, the Board questioned the reasons for this. It was confirmed that the vast majority of turnover related to performance management. Also the College has been able to access some external funding to recruit new maths graduates, which has been of real benefit.

The Principal indicated that in terms of an anticipated Ofsted inspection, Maths and English performance is not putting the College in as strong a position as it would like, particularly level 2 Functional Skills. An issue that the team have grappled with is whether the College does what is best for the students or does it focus on College grades and outcomes. This is a challenge and a national problem. In reality our College position is no worse than any other providers in the East Midlands. The Principal indicated that the College is going to have to be realistic, in that when Ofsted come we cannot demonstrate we are as strong in Maths and English, particularly Functional Skills, when compared with other areas of provision.

The Incoming Deputy Principal confirmed that research shows that employability for students with Maths and English Functional Skills is higher than GCSEs and therefore this would support the approach that the College has taken in the past. In terms of the current position it is now all about awaiting outcomes and results in the summer.

The Board questioned how the College will attract new A Level students. It was confirmed that results will significantly influence this. The College does have a strong offer and good results, all agreed that this needed to be marketed more. The College value added score is very strong and overall results, when compared with other FE providers is the second best in the local area. It was agreed that when the College gets to being the best then this will be a real opportunity to market.

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

Date:

It was also acknowledged that the percentage of high grades achieved is also a significant influencing student recruitment factor.

AGREED: to note the content of the presentation provided.

#### **16.58 KPI REPORT**

The Director of Strategy and Innovation circulated his top 10 KPI summary. Members' attention was drawn to the amber/reds and the Board challenged how the senior team will address the position, particularly in relation to student numbers. In relation to 16-18 numbers the Board were reminded that there is currently a downward demographic and the recruitment numbers trend follows this. The Board, in reviewing the KPIs questioned whether there was a lesson to be learned in terms of the target setting process, given that some targets set have not been hit in recent years. The Board asked whether or not the College needs to change/shift to do something different, as without the support of BKSB the College would be in difficult circumstances.

The Deputy Principal/Director: Finance confirmed that in terms of the future, the HE Centre and successful apprenticeship delivery are critical. In terms of the demographics the College needs to ride out the trend and is in fact probably hitting the bottom of this in terms of numbers now.

The Principal expressed the view that there are a number of aspects that Governors need to consider as a Board:

- Colleges, the Board and FE are in challenging times;
- What we are achieving at WNC is better than other providers;
- In terms of 16-18 numbers we have to accept the demographics. What is key is to retain all those who enrol;
- In terms of 16-19 year olds, we actually have increased our market share.

The Board then discussed whether or not the team are just setting targets that are too ambitious. It was acknowledged that this may be the case. In terms of adults, it was acknowledged that the ASB budget has been continually declining. There is not a culture in the UK of paying for your own education. Assurance was given that the College has been working very hard to increase adult numbers in a very demanding environment.

In relation to work based learning, Sacha McCarthy did a great job in ensuring improvements in terms of quality and success rates, however her strength did not lay with bringing in any new business. To address this, the College has now recruited someone new whose focus will be on sales and new business. Despite significant changes the College has been able to significantly improve quality.

In terms of commercial activity, the College has improved and increased revenue in this area.

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

Date:

She indicated that in terms of the 16/17 Business Plan, which will be discussed at the residential, perhaps there is a real need to be realistic in terms of target setting and not 'set ourselves up to fail'. All agreed that the underlying issue is to ensure that the College's operating position is secure with maintained financial stability.

One Governor present questioned whether there was the opportunity to diversify, for example by taking over failing academies. It was felt that failing usually relates to teaching and learning and not finances and therefore any takeover arrangements would come with a quality/reputational risk. It was explained that this is being seen at the Studio School sponsored by the College.

It was noted that in 14/15 both the College and BKS B made a surplus. In 2015/16 BKS B will definitely be in a surplus but the College is anticipating a small deficit with an overall Group surplus position. The Board agreed that going forward, there was a need to ensure that the College at least breaks even, but ultimately moves to a position of contribution.

AGREED: to note the content of the report provided.

#### **16.59 PRINCIPAL'S REPORT**

The Principal drew members attention to her written report and a number of matters were noted:

- The Queens Speech – this was not announced entirely as anticipated. It was acknowledged that the report/paper had been prepared upon the expectation of what would be announced.
- The Higher Education White Paper: Success as a Knowledge Economy will make it easier for FE Colleges to award their own degrees. The changes are expected to give colleges and others greater powers to compete with Universities.
- Apprenticeship levy there are lots of implications of this change. The College has been doing a lot of work locally with employers to identify their needs.
- Ofsted update – an Ofsted inspection is likely to be before the area review in November 2016.
- Senior recruitment – the Vice Principal: Business Development has now been appointed. Lesley Roberts starts at the end of June
- College events – members attention was drawn to the 3 events detailed in section 7 of the report.
- Skill build competition – 9 students entered by the College achieved top 3 positions in their respective categories, with 3 earning first place.

AGREED: to note the update provided.

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

Date:

## 16.60 EMPLOYER ENGAGEMENT

### A) 2015/16 BUSINESS UPDATE

The Director: Finance/Deputy Principal introduced this item on behalf of Sacha McCarthy. He confirmed that the report has been considered by the Finance, Resources and Estates Committee. He explained that KPIs are grouped in to three themes, these are finance, business performance and quality.

- Finance KPIs – a total of 5 individual themes, contracts for adult apprenticeship is high risk with volumes of activity falling short of profile to date within an agreed tolerance, contracts for traineeships are currently medium risk and are within an agreed tolerance and contracts for 16-18 apprenticeships, work place learning and adult responsive are currently low risk as performance is in line with profiled plan.
- Business performance KPIs – a total of 12 individual themes, those currently risk rated as high included adult apprenticeships, traineeship starts, higher apprenticeships and ATA starts activity and sales conversions. Those currently risk rated medium include 16-18 apprenticeships and out of funded learners, the remaining 5 themes are all low risk. It was explained that the risks usually relate to starts and completions and often mirror the financial trends.
- Quality KPIs – a total of 7 individual themes, traineeship achievement rates (this is mainly due to unknown outcomes) are high risk, those currently risk rated medium include apprenticeship and customer satisfaction rates, the 4 other themes are all low risk.

In terms of the presentation of the report he confirmed that diagrammatically this is the easiest way the College can monitor what is a large and complex area of provision (the value is circa £20million).

In terms of adult apprenticeships it was again reiterated that the targets set were probably overly ambitious. The Board were assured that the College is growing the programme but just not at the rate staff challenged themselves to achieve.

AGREED: to note the update provided.

### B) STRATEGY

The Director: Finance/Deputy Principal confirmed that the apprenticeship strategy presented sets out the organisations focus from 2016 to 2019, against a backdrop of the expected implementation of some of the most radical reforms the sector has faced which are expected to result in a very different operating environment by the end of the life of this strategy.

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

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This presents many opportunities and challenges for the organisation, in both the short and longer terms, as many of these reforms are yet to be fully understood due to the lack of confirmed information at this time.

Due to the need for fluidity within the strategy to be able to respond to the changes in the sector and the reforms as they develop, considerations are noted for the organisation now and other actions will require further development as the reforms unfold. As a result the College's direct relationship with employers will be crucial. Whilst the delivery against the College's apprenticeship contract is an essential business priority for the College. Tactics used therefore will encompass a range of ways in which the College can engage with an employer, with a key focus on the value that the College will add to an employer's business success. The strategy will propose much greater synergy between the engagement for employers for on campus activity and engagement with employers for apprenticeships and work related training. It aims to maximise existing relationships with partners and employers to enable cross selling and a holistic promotion of the range of ways employers can link with the College.

It was explained that the strategy is presented today simply to note. This is a significant change to the sector and inevitably there will be a need to revisit this as the programme rolls out. It was confirmed that the report includes some critical questions. Members' attention was drawn to page 53 and the labour market demands considered.

Members' attention was drawn to page 54 and the objectives proposed which include a key focus being growth for internal delivery teams. It was explained that there will be more of a focus on local provision to ensure that it is cost effective and as a consequence less national activity.

The Board questioned whether it is possible to align with large employers, manufacturers or a specialism. It was agreed that this was a possibility and that the focus and approach to employers will be key to success. The College acknowledges the need to creatively meet the broader needs of employers and this will involve a marketing change.

The Board were advised that the College is also looking at whether or not it should consider being an end point assessment centre.

The move away from apprenticeship 'frameworks' to 'standards' will mean that substantial CPD is required for staff. This is outlined on page 57.

In terms of subcontracting, it was acknowledged that at the current time the College undertakes a significant element of subcontracted work because it holds the prime contract. This will change in response to the levy.

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

Date:



The College has discussed the potential impact with its own subcontractors and 80% of them have indicated that they would wish to continue in partnership with the College. This reflects the strong relationships and also the fear of uncertainties.

It was agreed that the strategy in relation to subcontractors will be reviewed again as part of the business plan discussion at the residential. This will need to be a fundamental focus of the Business Plan as it is critical that relationships with employers and subcontractors are effective.

Board

June 2016

In terms of the current position, the College has to work with a set of assumptions and these will be the best known position at any given point in time. In terms of the strategy, the general principles won't change but the impacts may vary depending on individual responses to the changes.

It was agreed that there was a need to be realistic in terms of the Business Plan as there are so many unknowns. The plan and assumptions will have to be revisited more often than has historically been the case as changes are inevitable. It was agreed that the Employer Engagement Strategy, and any shifts in focus, will be discussed at every other Board meeting in the next academic year.

Board

2016/17

AGREED: to approve the Employer Engagement Strategy presented.

#### **16.61 CONTEXT FOR THE BUDGET 2016/17**

The Director: Finance/Deputy Principal introduced this paper and confirmed that the content had been reviewed by the Finance, Resources and Estates Committee. This sets out the background context for the budget. It was acknowledged that earlier discussions in the meeting had already touched on apprenticeship reforms. In terms of planning for next year and the year after, the College will need to make some assumptions and its success will be down to how accurate and realistic those assumptions are. It was explained that the biggest changes and the biggest risks relate to the adult skills budget.

Key points noted in the report were :

- For Adult Skills this means that Apprenticeships will be separately funded and distinct from all other adult skills programmes.
- Income 16-18 Further Education – this will be fairly stable as there is a lag model. The Colleges current 15/16 allocation of £11,406k represents an expected volume delivery of 2940 learners. In the current year 15/16 the College has recruited 2746, meaning that the reduction in funding will be reflected as part of the 16/17 funding allocation.
- For 16/17 the College will receive £10,877k representing a reduction of £529k.

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

Date:

It was confirmed that this reduction in income would be offset by an under spend in pay costs.

- Learner support funds for the 16-18 classroom cohort will see a proportional reduction, likely to be in the region of £209k to around £3,927k. This is driven by the statistical indicators for deprivation and incidents of maths A\*-C on entry, both of which have turned against the College resulting in lower funding allocations.
- Across the 16-18 class room programme funding income will be reduced by £738k. This is the impact of lagged numbers recruited. This funding reduction will need to be addressed as part of the budget setting process.
- Income Adult Skills budget (including 16-18 apprenticeships) the College's allocation for adult apprenticeship provision in 16/17 is £13,213k represents the current likely outturn in 15/16 of £13,692k and has been rebased from the initial 15/16 allocation £15.5 million which the College has never achieved. Realistically this allocation prevents the College from being over ambitious.
- Whilst it is true that the apprenticeship reform provides opportunities it also represents a major threat and there are a number of assumptions that the College must get right. These include:
  - a) Volume and value of levy paying activity for all apprenticeships;
  - b) Volume and value of non levy paying employer apprenticeships for all ages;
  - c) Proportion of delivery through subcontract arrangements;
  - d) Level of engagement with subcontractors who are able to get direct access to the new system;
  - e) The proportion of partners who will have direct access;
  - f) The extent to which the College can profit from the levy system using its own delivery programmes.
- The adult education budget for 16/17 will be a block grant of £6.98 million which is inclusive of community provision and adult support. This is largely a flat allocation following a number of years of decline and provides opportunities to refocus the College adult programme towards a more local profile.
- In 14/15 the College utilised around 65% of its budget outside of the East Midlands region, which under a devolution deal in the Derbyshire & Nottinghamshire area is unlikely to put the College in a favourable position. This is a big risk but the College does have time to work on a new approach and this is something to be discussed at the residential. All agreed that it would be a positive move for the College to move to addressing more local need.
- College tuition fees – the College tuition fee policy for 16/17 has set fees at the same level as 15/16 in order to incentivise growth, particularly across the expanded programme for advanced learning loans.

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

Date:

The College will work hard to take advantage of the opportunities available to develop a more focused advanced learning loan provision where there is significant opportunity through the access to loans for the College of up to £771k in 16/17 (as part of the £500million plus available nationally).

- Public funding from HEFCE has been provided for 16/17 and is £421k which is around £64k lower than the value received in the current financial year of £485k. In relation to Higher Education £2.5million is received through tuition fees.
- Pay costs – in 16/17 there are no specific changes but the College will see the full year impact of increased pension and national insurance contributions.
- Approach to budgeting in 16/17 and beyond – a number of specific policy changes have been set out, and whilst these present an enormous challenge for the College as it has become reliant upon both apprenticeships and subcontracted delivery, there are also opportunities ahead in a way that simply have not been available before. The budget for the College will be difficult in 16/17 but the introduction of initiatives such as blended learning and a targeted drive to increase contribution levels from schools of learning and improve efficiency in back office functions should see a budget set at close to the breakeven point, with planned improvements in to subsequent years dependent on the success of the Colleges response to the apprenticeship reform. As a group the group is fortunate to have BKSB as a highly profitable company.
- College financial objectives – there are no proposed changes. Whilst the SFA have consulted on the revised framework it remains appropriate that the Board maintain focus on the current indicators, especially in line with the increasing evidence of financial failure across the FE sector and the contractual obligations presented within the banking covenants.

In terms of the assumptions made all agreed that it was key that they were realistic and accurate.

In terms of apprenticeships all agreed that it is an area of considerable opportunity. If the College is realistic in terms of its targets then it provides greater flexibility to respond to opportunities as they arise.

In discussing paragraph 6.6 all acknowledged that the move to provide a more local offer is a huge change in direction of travel and there is a need to focus on the East Midlands area.

AGREED: to note the update provided.

## **16.62 JUNE STRATEGY RESIDENTIAL DRAFT PROGRAMME**

Members' reviewed the draft programme. It was agreed that sometime within the programme would be found to discuss Ofsted.

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

Date:

Other than this minor change everyone was happy with the programme presented.

AGREED: to approve the June strategy residential programme.

**16.63 SAFEGUARDING POLICY STATEMENT**

The Deputy Principal: Teaching and Learning introduced this item and confirmed that there have been only minor changes this year, particularly in relation to radicalisation and greater emphasis on British Values.

AGREED: to approve the Safeguarding Policy Statement presented.

**16.64 FINANCE REPORT TO MARCH 2016**

AGREED: to note the content of the report provided.

**16.65 EXCEPTION REPORT – SAFEGUARDING, EQUALITY AND DIVERSITY**

AGREED: to note the content of the report provided.

**16.66 ANY OTHER BUSINESS**

There were no items of additional business.

**16.67 DATE OF NEXT MEETING**

The Clerk confirmed that the next formal Board meeting was 14<sup>th</sup> July 2016 at 5.00 pm.

(Staff and Students left the meeting at 6.50 pm)

**16.68 CONFIDENTIAL MINUTES OF THE BOARD MEETING HELD ON 21<sup>ST</sup> APRIL 2016**

There was one typographical error noted. John ‘Holford’ and not ‘Hoalford’. Subject to this minor change it was agreed that the minutes were an accurate record of discussions.

AGREED: to approve the confidential minutes of the Board meeting held on 21<sup>st</sup> April 2016.

**16.69 MINUTES OF THE BKS B MEETING HELD ON 21<sup>ST</sup> APRIL 2016**

AGREED: to note the content of the minutes.

Meeting closed at 6.55 pm.

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

Date: