

***Minutes of the Board meeting held in the Board Room at Derby Road on Thursday 14<sup>th</sup>  
December 2017 at 5.15 pm***

**GOVERNORS PRESENT:** Kate Allsop  
Ian Baggaley  
Tim Clarke  
Nevil Croston, Chair  
Jamie Fryatt  
Malcolm Hall MBE  
John Holford  
Dame Asha Khemka DBE DL  
Mark Williams  
Lee Radford  
Martin Rigley MBE  
Jane Hawksford  
Luke Walters  
Lewis Maskery

**ALSO IN ATTENDANCE:** Maxine Bagshaw, Clerk to the Corporation  
Andrew Martin, Deputy Principal  
Tom Stevens, Executive Director Capital Projects & Estates  
Louise Knott, Vice Principal: Communications, Engagement and Student Experience  
Tracy Thompson, Vice Principal: Human Resources and Organisational Development  
Julian Smith, Director Learning and Innovation

**17.118 DECLARATION OF INTERESTS**

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

**17.119 WELCOME, INTRODUCTIONS AND APOLOGIES FOR ABSENCE**

Apologies for absence were received from Terry Dean, David Overton, John Robinson, Alison Breeden, Amanda Jogela and Gavin Peake. The Chairman advised that he has been able to speak to David Overton and he is now home and on the road to recovery.

**17.120 MINUTES OF THE MEETING HELD ON 23<sup>RD</sup> NOVEMBER 2017**

The minutes were reviewed and it was agreed that they were an accurate record of discussions.

ACTION by whom	DATE by when

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

Date:

AGREED: to approve the minutes of the meeting held on 23<sup>rd</sup> November 2017.

**17.121 ACTION PROGRESS REPORT**

Members were happy to simply note the update provided. There were no matters arising.

**17.122 PRINCIPAL'S REPORT**

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

- Apprenticeships – as of 5<sup>th</sup> December 2017 there are 339 actual cumulative starts for the period August to December. This is a third of target. The senior team have met with union colleagues to share the challenges ahead and it has been made clear that there is a need to work together on this.
- National update – three key national papers have been published by the Government this week. The updated Industrial Strategy with an emphasis on education and skills, aims to boost the productivity and earning power of UK people and businesses. There is an indication, but no more than that, that levy monies may be available to be used for other training and not just apprenticeships. Careers Strategy aiming to provide informed, improved and impartial careers advice for young people. T Level Qualification - focussing on the qualification design and the ways in which they will be assessed and graded, technical information on licencing and procurement, the transition year, students learning at level 2, adults, the place of English and Maths in the qualification, quality assurance and performance measures. The College is currently drafting its response. She advised that the introduction of T levels will mean significant curriculum changes and there is a need to work with employers on this area.
- Stakeholder update – following discussions with key stakeholders the College will host termly events for 150 local employers focused on the opportunities and challenges they face and exploring how, as a College and community, we can support them to achieve their goals.
- Safeguarding – November saw 269 referrals received against 80 in the previous year. Many are multiple referrals for the same individuals, however the College is seeing a continuing upward trend of people who are vulnerable within College. 9 prevent referrals were received against 6 the previous year.
- Equality and Diversity – in November the College received an allegation of racism by a member of staff against a student. This issue is being managed through the student code of conduct and College disciplinary procedures. Information for our partner providers is due by 8<sup>th</sup> December.

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

Date:

AGREED: to note the content of the update provided.

**17.123 DEPUTY PRINCIPAL APPOINTMENT**

The Principal confirmed that the College has been through a rigorous process to identify Andrew Martin's replacement. The preferred candidate is Alastair Thomson. It was explained that he comes with an exemplary resume which has been thoroughly checked. He has a very high profile in the local business community and has significant HE experience. For those members of the Board who were not involved in the recruitment interviews it was agreed that a small bio would be shared once he has confirmed this acceptance to the offer put forward.

Principal

Dec 2017

AGREED: to approve the recommendation made by the selection panel that Alastair Thomson be appointed as the Deputy Principal/Director: Finance.

**17.124 KPI'S**

The Deputy Principal introduced this item and drew members' attention to the KPI update:

- 16-19 volumes (including directly delivered apprenticeships) - term one sees a figure of 2555. The College has continued to see numbers fall with challenges regarding retention and withdrawals. The College is 231 down on the original target. This builds upon a withdrawal trend seen in previous years. Funding impact will be seen in 18/19, however there is a clear need to tackle underlying curriculum issues.
- Apprenticeship income (split between College and partner delivery) – there has been no change since the last report and the first quarter data presented. The College is some way behind target and this is a big challenge for the organisation.
- Adult education budget (excluding apprenticeships) split between D2N2 location delivery and otherwise – delivery is following a similar pattern to that seen in the prior year. 59% is D2N2 and Mansfield/Ashfield. This split is likely to reduce in terms of the percentage spend outside the area so as not to lose the allocation.
- 16-18 attendance – the Maths and English position has improved by 0.7% to 87.3%. Vocational attendance statistics have increased by 0.2%.
- Apprenticeship achievement rates – this is unchanged since the last report and is at a low point in the year which is fairly usual.
- Customer satisfaction – there has been one significant survey carried out, this is QDP. 3313 responses were received with 96% saying that they would recommend the College. This is 1% above target.

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

Date:

- Graded lesson observations – this is partner observations only. The Board were reminded that the higher risk partners have been targeted first in the cycle of observations.
- Financial indicators – again the issue in terms of apprenticeship numbers is clear. The end of September 2017 shows a deficit position. The Colleges health score is down to 100.
- Study programme main qualification progress – it is relatively early in the year. In terms of main level 3 qualifications there has been a dip in A Level and an increase in applied and general. The Board were asked to note that the graph scale provided here is very fine and therefore it will move around during the year until trends build up.
- Study programme English and Maths progress – there has been a decline, which was expected, as teaching moves to the more difficult subjects and topics.

AGREED: to note the content of the update provided.

**17.125 2016/17 FINANCIAL STATEMENTS AUDIT MANAGEMENT LETTER**

The Deputy Principal advised the Board that this document has not yet been received from auditors. There is an ongoing subcontract partner investigation and accounts and the audit cannot be finalised until this is concluded. It was agreed that the 2016/17 Financial Statements Audit Management Letter would be deferred for consideration until the January meeting.

Deputy  
Principal

25<sup>th</sup> Jan  
2018

The Board were advised that KPMG have concluded their audit and the only issue outstanding is clarification regarding whether any provision needs to be made in terms of the outcome of the partner investigation. The College is expecting the final investigation report this week and will then be in a position to speak to the ESFA and seek to conclude this matter.

AGREED to note the content of the update provided.

**17.126 2016/17 MEMBERS REPORT AND FINANCIAL STATEMENTS**

The Deputy Principal presented the report and consolidated Financial Statements for the year ended 31<sup>st</sup> July 2017. He confirmed that these are in draft until the conclusion of the partner investigation. ESFA have been made aware that the Board is not in a position to sign the accounts today and therefore they have confirmed an extension to 31<sup>st</sup> January 2018. It was agreed that finalisation and approval of these accounts would be deferred to the January meeting.

Deputy  
Principal

25<sup>th</sup> Jan  
2018

He confirmed that there is no provision included within these Financial Statements and therefore they must be considered draft accounts before the provision. The format will not change and the vast majority of numbers will remain as they are.

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

Date:

He confirmed that the Financial Statements have been consolidated and have also been considered in detail by the Audit and Finance, Resources and Estates Committee. Key matters brought to members attention were:

- Page 4 – the strategic report and commentary
- Page 7 – the financial position
- Page 9 – future plans
- Page 11 – reserves and risks
- Page 14 – stakeholder relationships
- Page 15 – equality and diversity
- Page 16 – disability statement
- Page 17 – sets out the statement of corporate governance and internal control
- Page 18 – summarises Board membership including appointments and resignations in the year
- Page 21 – sets out Committee details
- Page 22 – sets out the risk and control framework
- Page 23 – confirms that the College remains a going concern
- Page 24 – regularity statement
- Page 25 – is the statement of responsibilities of the members of the corporation
- Page 26 onwards are the auditors reports in relation to the accounts and the use of funds
- Page 30 – the consolidated statements of comprehensive income, these are the numbers
- Page 31 – the statement of changes in reserves – this is a new statement required under FRS 102
- Page 32 – balance sheet. The thing to note in relation to this is the defined benefit obligations, they continue to increase. Reserves remain at £9.2 million which is higher than the bank covenant required at £9 million
- Page 33 – cash flow
- Page 34 onwards are the notes to the accounts.

The Board were happy to note the draft presented but acknowledged that there was a need to reconsider these again in January 2018.

The Board queried how the actuarial review of pensions is undertaken. It was explained that Barnet Waddington are appointed by the pension scheme. If the College does not agree with their assumptions then it is for us to challenge the position, however our auditors have to be happy that our challenge is appropriate. A challenge was made in terms of the wage assumption and having listened to our arguments the assumption was brought down from 4.2% to 3.2%.

A minor error was noted at page 27, it should read KPMG and not KMPG.

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

Date:

The Board were happy to note the content of the draft accounts presented.

**17.127 LETTER OF REPRESENTATION 2016/17**

The Deputy Principal drew members' attention to the draft Letter of Representation for 2016/17. He explained that this is the College's assurance to auditors that all material matters have been disclosed. This is a sector standard document and both the Audit Committee and the Finance, Resources and Estates Committee are happy to recommend that the Board approve. It was agreed that this letter would be rescheduled for signature as part of the 2016/17 year-end documents that are currently all in draft.

Deputy  
Principal

Jan 2018

AGREED: to note the content of the Letter of Representation presented and defer approval until the next scheduled meeting in January 2018.

**17.128 LETTERS OF SUPPORT TO SUBSIDIARY COMPANIES - 2016/17**

The Deputy Principal confirmed that, in line with previous years, the subsidiary companies that are operating at a loss require letters of support, these are Vision Apprentices and Vision Workforce Skills. The content of the letters are the same as in previous years. The Board were happy to consider the drafts as presented but agreed to defer final approval as part of the suite of 2016/17 year-end documents to be considered at the January meeting.

Deputy  
Principal

Jan 2018

AGREED: to note the content of the Letters of Support and defer final approval until the January meeting.

**17.129 SUPPLY CHAIN FEES – CHARGES POLICY**

The Executive Director introduced this item and confirmed:

- The College currently has live contracts in place with 43 subcontractors. There are 2 subcontractors detailed, JTJ and JB Management, where contracts are now completed and closed.
- Only 18 of the subcontractors have been approved to submit non-levy starts activity between May and December 2017. This has increased by 1 from the Board paper submitted in September 2017.
- 13 subcontractors have been allocated funding from the Adult Education Budget. This includes two subcontractors from the Board report submitted in September that have now been approved by the due diligence process. The Board was asked to approve new AEB allocation to an existing subcontractor, London Hairdressing Apprenticeship Academy. Contracts are allocated on the subcontractors quality assured track record and where possible their ability to support delivery within the D2 N2 region.

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

Date:

- The subcontract risk remains high as the College does not have the attraction of new start contracting as subcontractors only have continuation contracts in place from the new year. Further, their attention focusses on attracting activity with levy employers and securing direct non-levy funding to meet their small employer needs. Contract management will remain a challenge but additional risk measures have been implemented to mitigate this where possible.
- Work with compliance, QTLP and subcontractor performance management has been undertaken to increase audit and review of all subcontractors with increased learner and employer voice now being undertaken. Unannounced audit visits to both subcontractor and employed premises are now being carried out.
- Subcontractors with non-levy start activity are experiencing difficulties in fulfilling contract values at this point in the year. Where traditionally contract values are achieved they are finding the new reform rules challenging for non-levy apprentices.

As an overall observation the Board all agreed that ensuring high quality with subcontractors was key.

The Boards' attention was drawn to the partnership commitment proposals report. It was explained that the format has been adapted for clarity and there are now three reports that set out the following:

- Report 1 – subcontractors with carryover activity of £7,653,087.
- Report 2 – subcontractors allocated funding from May to December 2017 for non-levy start activity to the value of £2,602,097.
- Report 3 – subcontractors allocated funding of £3,839,074 for delivery on the Adult Education Budget. Subcontractors who have a quality assured track record are prioritised for delivery of AEB provision in the D2N2 area.

AGREED: to approve the partnership commitment proposals as presented.

The Board were advised that there is one additional 16/17 subcontractor matter to be considered and the Board were asked to retrospectively approve contract allocation for Portal Training Services. The funding allocation relates to start activity and was approved as funds were available for 16/17. This supported the College to meet the required threshold for 16/17.

AGREED: to retrospectively approve the contract to Portal Training Services Limited at £115k of the Adult Education Budget.

In relation to the subcontractor Supply Chain Fees and Charges Policy for 2017/18 it was explained that this is identical to the prior year position.

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

Date:

AGREED: to approve the subcontractor Supply Chain Fees and Charges Policy for 17/18 as presented.

**17.130 COMMITTEE CHAIRS' SUMMARY REPORT**

The Audit Committee meeting Chairman (Jamie Fryatt) drew members' attention to his written report. He advised that there is a small matter requiring Board approval and these are the administrative changes proposed regarding the committee terms of reference.

AGREED:

- a) to note the content of the update provided; and
- b) approve the amended Terms of Reference as presented.

**17.131 2016/17 AUDIT COMMITTEE ANNUAL REPORT – DRAFT**

The Board were happy to note the content of the report provided.

**17.132 2016/17 INTERNAL AUDIT ANNUAL REPORT**

The Board were happy to note the content of the report provided.

**17.133 MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 30<sup>TH</sup> NOVEMBER 2017**

The Board were happy to note the content of the minutes.

**17.134 ANY OTHER BUSINESS**

There were no items of additional business.

**17.135 DATE AND TIME OF NEXT MEETING**

The Clerk reminded Governors that there was a Governor Development session planned for 11<sup>th</sup> January 2018 at 2.00 pm. The focus of this will be Safeguarding, Prevent and GDPR. Following that the next formal Board meeting is 25<sup>th</sup> January 2018 at 5.00 pm.

**17.136 CONFIDENTIAL ITEMS**

It was agreed that confidential items would be recorded separately.

(Staff and Students left the meeting at 6.00 pm)

Meeting closed at 6.40 pm.

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

Date: