



GOVERNING BODY

Minutes of Meeting on Tuesday 4 July 2017

Present:	Mr J Kirk (<i>Chair</i>)	Chair of Governors
	Ms S Gannon	Staff Governor
	Ms S Kacha	Student Governor
	Mr R Laher	Governor
	Ms M Moore	Governor
	Ms S Munden	Staff Governor
	Ms J Rossa	Governor (<i>from item 7.7</i>)
	Mr M Sim	Principal
	Mr R Wood	Governor
	In Attendance:	Mr J Bagley
	Ms L Hawes	Education & Skills Funding Agency
	Mr H Ravat	Vice-Principal Resources
	Mr A Suddaby	Leicester City Council
	Mr R Mansfield	Clerk

Ref.		Action
B/17/42	<p>Item 1 – Attendance and Membership Matters:</p> <p><i>1.1 Apologies for Absence</i> Apologies for absence were received from Nelista Cuffy, Harnish Hadani, Stephen Holderness, Harshad Solanki and Alishah Touseef. Jackie Rossa had sent an apology in anticipation of her late arrival. John Kirk welcomed Lisa Hawes and Adam Suddaby to the meeting as observers. The meeting was declared quorate.</p> <p><i>1.2 Declarations of Interest in Agenda Items</i> There were no declarations of interest in agenda items.</p> <p><i>1.3 Minutes of Search & Remuneration Committee 6 June 2017 / Governor Vacancies</i> Robert Mansfield reported that there were still three governor vacancies. However an expression of interest had been received from Jackie Rossa. She had a strong track record in further education, consultancy and training, and had been</p>	

commended by the Search & Remuneration Committee as a member of the Board and the Standards & Quality Committee. John Kirk said that he had recently met Jackie Rossa during participation in a course that she had run. He had been very favourably impressed.

The meeting voted unanimously to appoint Jackie Rossa as a member of the Board and the Standards & Quality Committee for a period of four years ending 31 July 2021.

Robert Mansfield advised the meeting that the Committee had reviewed the positive feedback on the recent governor training session and concluded that it would be appropriate to provide a follow-up session on interrogating the data that would actually be available to governors during the next academic year.

The meeting received the minutes of the Search & Remuneration Committee.

B/17/43 Item 2 – Minutes of the Previous Meeting and Matters Arising:

2.1 Minutes of Meeting on 1 June 2017

The minutes of the meeting on 1 June 2017 were accepted as an accurate record and were duly signed by John Kirk.

2.2 Matters Arising from the Minutes

Martin Sim confirmed that there were opportunities to improve governance arising from the links he had formed with other colleges. Otherwise there were no matters arising that were not covered by agenda items.

B/17/44 Item 3 – Principal's Report:

Martin Sim presented a summary of recent developments at the College. He congratulated James Bagley on the College's successful OfSTED Monitoring Visit Report.

Martin Sim said that action in respect of teaching learning and assessment had recently focused upon achieving success in the end-of-year examinations. Retention had held up well notwithstanding the efforts to improve attendance. Reports from external assessors had been mixed and action was in hand to deal with the very few remaining areas of concern. Enrolments would be significantly affected by forthcoming examination results. A fall of 25% in student numbers typically followed an Inadequate inspection grade. However the New Students Day had proved very successful, with an above 10% increase in attendance over that in 2016. As soon as examination results were published the College planned to undertake an early analysis of value added. Commitments to existing students would be honoured in 2017/2018. Staff morale was positive following the restructuring.

The loss of five experienced Programme Area Managers had led to 21 management appointments (15 of which were internal). The quality of the applicants had been strong, and indeed higher than had been expected. The external appointees brought needed strengths in quality and raising standards.

Martin Sim then referred to various recent highlights including the progress of the Cricket Team, the performance at Curve by Performing Arts students and the outstanding quality of the College's Art work.

Ralph Wood said that he was very pleased to learn of so many positives and asked that staff be informed of the pleasure of the Board. Martin Sim said that by way of recognition the College would close one day early. He assured John Kirk that the College now had the processes necessary to unearth all areas of unsatisfactory practice. He undertook that the Standards & Quality Committee would in future receive a summary of the reports of external verifiers. Problem subjects would be treated as if in special measures. He also assured John Kirk that OfSTED would not at its next visit discover problems of which the College was unaware. The College was currently dealing with the two areas in serious need of attention. John Kirk then asked how best the College could recognize areas that had performed exceptionally well.

James Bagley said that three of the recent internal promotions had followed outstanding progress.

The meeting received the Principal's report.

MS

MS/JB

B/17/45

Item 4 – Curriculum and Quality Issues:

4.1 Notes of Meeting of Performance Improvement Group 28 June 2017

John Kirk presented the highlights of the minutes of the meeting of the Performance Improvement Group on 28 June 2017. In view of the continuing progress there had been discussion about whether to upgrade several of the RAG ratings. In the end it had been decided to leave them unchanged until there was clear evidence of impact. John Kirk said congratulated Frances Rippin and Nicola Martin on stepping up to the demands of their new roles.

The meeting received the notes of the meetings of the Performance Improvement Group.

4.2 Minutes of the Standards & Quality Committee 13 June 2017

John Kirk presented the minutes of the meeting of the Standards & Quality Committee on 13 June 2017. The latest Grade Book data suggested that there had been a further 9%

improvement in added value. James Bagley said that if this was confirmed by examination results the College would have eliminated all its current blue ALPS scores. There had also been some further improvement in attendance.

The meeting received the minutes of the Standards & Quality Committee.

4.3 OfSTED Monitoring Visit Report May 2017

John Kirk presented the report on the OfSTED Monitoring Visit in May 2017. He thanked Adam Suddaby and James Bagley for their contributions to improving and then progressing the Post-Inspection Action Plan.

The meeting received the OfSTED report.

B/17/46 Item 5 – Student Issues:

John Kirk invited Savannah Kacha to report on any matters of concern or current interest relating to students. Savannah Kacha replied that there had been a very good trip to Alton Towers. She had very much appreciated her excellent experience as a student at the College. John Kirk said that the Board had been fortunate to have two such involved student governors in the current year. He wished Savannah Kacha on behalf of the Board every success as she moved on from the College.

The meeting noted this report.

B/17/47 Item 6 – Finance and Staffing Issues:

6.1 Minutes of the Finance, Staffing & General Purposes Committee 15 June 2017

In the absence of Steve Holderness, Hamid Ravat presented the draft minutes of the meeting of the Finance, Staffing & General Purposes Committee on 15 June 2017. The key points were as follows.

Estates Matters

(The sale of the Blackbird Road site had been completed just after the meeting.) The programme of summer works was planned to include extension of the mezzanine floor, full upgrading of the temporary science laboratory and the replacement of many 'thin client' computing devices.

There had been a small year-on-year rise in reported health and safety incidents. The rise was attributable to health-related incidents and there were no underlying concerns.

Finance Matters

The operating accounts showed a deficit of nearly £260K, £318K worse than budget. However even after allowing for voluntary severance payments the year-end cash position was expected to be around £2.5 million, at which the College

remained very solvent. Steve Holderness had expressed renewed concerns about the College's ability to eliminate the deficit in 2017/2018. The Committee had commended the proposed budget for 2017/2018, while viewing it as 'challenging'. (Some changes to this budget had been necessitated by the completion of the sale of the Blackbird Road land.) The Committee had also commended changes requested by Lloyds Bank to the terms of the College's loan covenants.

Staffing

The staffing report showed that FTE numbers were close to budget. Sickness absence levels continued to be above sector benchmarks. The Committee had noted the large number of vacancies to be filled, and had received reassurances about the strength of the field of candidates.

Marketing

The Committee had been briefed about recent and planned articles in *The Leicester Mercury*. Student applications for the next year were running at about 10% above comparable numbers for the previous year.

The meeting received the minutes of the Finance, Staffing & General Purposes Committee.

6.2 Staff Survey 2017 – Verbal Comments

John Kirk presented a brief analysis of the verbal comments included in responses to the recent staff survey, which he alone had scrutinized. The number of comments had been much reduced, with an equal balance between positives and negatives. He concluded that this was a vast improvement upon previous staff surveys. Martin Sim said that he was hoping to introduce termly surveys in the coming year.

The meeting noted this report.

B/17/48

Item 7 – Governance Issues:

7.1 Committee Terms of Reference

Robert Mansfield presented the terms of reference for all Committees. The Board had already approved various changes during the current academic year, but needed to endorse terms of reference that remained unchanged.

The meeting received the terms of reference for committees.

RM

7.2 Minutes of the Audit Committee 26 June 2017

In the absence of Harnish Hadani, Hamid Ravat presented the minutes of the meeting of the Audit Committee on 26 June 2017. The meeting had considered the draft annual report of the Internal Auditors for 2016/2017. A comment regarding OfSTED's judgment at inspection that governance was

Inadequate had led to discussion, in the light of which the auditors had agreed to modify the wording of their comment. The report would be placed on the agenda for the next meeting of the Board. The meeting had also considered the internal audit plan for 2017/2018; this was on the agenda of the current meeting, as was the annual report of the Audit Committee.

The meeting received the minutes of the Audit Committee.

7.3 Internal Audit Plan 2017/2018

Hamid Ravat presented the internal audit plan for 2017/2018. This had been commended by the Audit Committee. He referred the meeting to Section 5, which itemized the audit areas for the coming year and thereafter. Ralph Wood then proposed and Margo Moore seconded the adoption of the internal audit plan.

The meeting unanimously approved the internal audit plan.

7.4 Annual Report of the Audit Committee 2016/2017

In the absence of Harnish Hadani, Robert Mansfield presented the annual report of the Audit Committee for 2016/2017. The report covered the membership of the Committee, which had now fallen below critical strength, the meetings held, terms of reference, confirmation that the Committee had met its targets, the main reports considered, other business including scrutiny of risk management, and the Committee's opinion. The opinion was that, after consideration of all the reports of the auditors, there was reasonable assurance that the College's framework of assurance, including its internal control, risk management and governance processes, remained adequate and effective.

The meeting received the report.

7.5 Lesson Observation Policy

James Bagley presented the latest version of the lesson observation policy. The policy had cleared all the relevant consultations and was commended by the Standards & Quality Committee. The policy was already enabling lesson observations, learning walks and other scrutiny to proceed apace. John Kirk thanked James Bagley for making excellent headway on this previously contentious front.

The meeting endorsed the lesson observation policy.

7.6 Lloyds Bank Loan Agreement

Hamid Ravat presented a request from Lloyds Bank for amendments to the covenants underpinning the College's 20-year loan. The key differences were the substitution of

references to FRS17 with references to FRS102 (the standard now in force) and the deletion of the covenant requiring the College to avoid operating deficits in three consecutive years. He advised the meeting that it was in the best interests of the College to accept the changes, which had been considered and commended by the Finance, Staffing & General Purposes Committee. Ralph Wood then proposed and Margo Moore seconded a resolution to amend the terms of the loan facility as requested.

It was unanimously resolved that the loan facility in an original principal sum of up to £12,000,000 arranged with Lloyds Bank plc (the "Bank") in a letter dated 18th February 2008 (the Facility Letter") be amended in the manner proposed in a letter from the Bank dated 22nd May (the "Amendment Letter").

It was further resolved that Mr Martin Sim and Mr Hamid Ravat be authorized to make the necessary arrangements with the Bank and sign on behalf of the College the Amendment Letter which was produced to the meeting and its terms and conditions approved.

7.7 Budget 2017/2018

Hamid Ravat presented the proposed budget for 2017/2018. This had been commended by the Finance, Staffing & General Purposes Committee, though he had had subsequently to make certain changes to reflect the sale of the Blackbird Road land. The precise treatment of the difference between the original Education Funding Agency (now the ESFA) loan and the amount that would be repaid was the subject of discussion with the financial statements auditors.

The highlights were as follows. The budget showed a £25K surplus. Income was higher by £200K than that in the current year, as a result of lagged funding from the ESFA, though funding for higher needs students had been reduced by £70K to reflect a planned reduction in numbers. Pay costs were 2% lower, as a result of lower senior team costs and reduced reliance on supply staff. There was planned to be a positive cash flow of £90K during the year. The key ratios reflected the improvement in the College's performance.

Martin Sim said that it would be necessary also to tackle during the next academic year the level of spend allocated to teaching departments; this had been in his view unsustainable and constituted a threat to the College's sustainability. He was keenly aware of the sensitivity of curbing discretionary expenditure on materials such as books

and recognized that the College might need to review the capacity of its electronic storage.

John Kirk welcomed Jackie Rossa to the meeting as a new governor.

Riyaz Laher then proposed and Shirley Munden seconded the approval of the budget.

The meeting voted unanimously to approve the budget 2017/2018.

7.8 Two-year Financial Forecast 2017/2019

Hamid Ravat presented the two-year financial forecast for 2017/2019. This had not been considered by the Finance, Staffing & General Purposes Committee as publication of the relevant template from the ESFA had been delayed by the General Election. The first year of the forecast mirrored the budget just approved. The second year assumed that the College would operate again at around breakeven. The grades for Financial Health were projected to move from Satisfactory in the current year to Outstanding in 2017/2018 and Good in 2018/2019.

Ralph Wood asked what would be the impact if the cap on public sector pay were to be relaxed. Hamid Ravat said that the College would incur costs of £55K to £60K for every additional 1% increase in pay. The College's financial health grade would fall to Good in 2017/2018 although cash flow would be sufficient to cover an additional increase of 1%. Ralph Wood said that it was important to work on achieving savings without delay so as to avoid the prospect of having to take a more savage approach later.

Ralph Wood then proposed and Shirley Munden seconded the approval of the two-year financial forecast.

The meeting voted unanimously to approve the two-year financial forecast 2017/2019.

7.9 Fees Policy 2017/2018

Hamid Ravat presented the fees policy for 2017/2018. As there had been no changes to funding regulations the policy was unchanged from that for the current year. Riyaz Laher proposed and Shirley Munden seconded the approval of the fees policy.

The meeting voted unanimously to approve the fees policy 2017/2018.

7.10 Strategic Plan 2017/2020

Martin Sim presented a paper inviting guidance on the development of the strategic plan for 2017/2020. He had drawn upon previous documents approved by the Board and

had included a suggested statement of public values. He had discussed the College's strategic aims with John Kirk. Once the plan had been developed in detail specific targets would, as previously, be disaggregated to the relevant Senior Managers and Committees for action and monitoring purposes. Martin Sim also asked whether the next steps would best be undertaken by himself and John Kirk or the Strategy Working Group should be reconvened. John Kirk said that he believed the most effective way forward would be for him and possibly one other in discussion with Martin Sim to develop the plan. Robert Mansfield said that the texts upon which Martin Sim had drawn had been approved some five years previously and might therefore be no longer aligned with future needs. The Corporation had approved a process for involving staff in reviewing the educational character and mission of the College, which he would share with Martin Sim. Jackie Rossa asked whether the plan might not be vulnerable to short term changes. Martin Sim replied that the plan would be prepared in the light of enrolments and student outcomes. Jackie Rossa said that the paper did not present the coherent vision she would expect to see of what the College sought to provide for students. Martin Sim said that he agreed that, although the contents of his paper contained material previously approved by governors, this might need to be rethought. Jackie Rossa stressed the importance of staff involvement. Ralph Wood said that the College's mission needed to reflect a vision for the wellbeing of young people.

RM

The Board received the paper and looked forward to the development of a more coherent version by the time of the next meeting.

MS/JK

7.11 Cycle of Meetings 2017/2018

Robert Mansfield presented the cycle of governors' meetings for 2017/2018. Dates for meetings of the Performance Improvement Group had been awaiting feedback from Lisa Hawes. This had now been received and he would reissue the cycle in the light of this feedback.

The meeting received the cycle of meetings for 2017/2018.

7.12 Standing Orders

Robert Mansfield presented the standing orders. He had amended these to reflect a change to the committee structure and actual practice with regard to the publication of minutes.

The meeting received the standing orders.

- B/17/49** | **Item 8 – Date and Time of Next Meeting:**
The date and time of the next meeting were confirmed as Thursday 23 November 2017 at 6.00 p.m. at the College, after PREVENT training at 5.00 p.m.
- B/17/50** | **Item 9 – Any Other Business:**
John Kirk thanked everyone for their contributions during the current academic year. In particular he expressed his thanks to Shirley Munden and SavannahKacha, who were leaving the Board, and to Adam Suddaby who was about to retire from his post at Leicester City Council (LCC) and whose last attendance as a representative of LCC this was.
- Staff and Student Governors then left the meeting, which remained quorate, prior to consideration of the minutes of confidential matters discussed by the Finance, Staffing & General Purposes Committee and the Board and a matter pertaining to the contract of employment of the Principal. This is recorded separately as confidential minute B/17/51 (Conf.)*