

**MINUTES OF BOARD MEETING HELD ON THURSDAY 15<sup>TH</sup> DECEMBER 2016**

|                       |                     |   |
|-----------------------|---------------------|---|
| <b>Present:</b>       | Fiona Armer         |   |
|                       | Bailey Casson       |   |
|                       | Peter Clark         | Chair                                   |
|                       | Rachel Court        |   |
|                       | Mark Donaldson      |   |
|                       | Richie Dunk         |   |
|                       | Lettitia Ingham     |   |
|                       | Greg O'Shea         |   |
|                       | John Rees           | Principal                               |
|                       | Malcolm Rogers      |   |
|                       | Pete Sanderson      | Minutes 69 to 152                       |
|                       | Janet Tyas          |   |
| <b>In Attendance:</b> | Denise Cheng-Carter | Deputy Principal (Finance & Resources)  |
|                       | Rachael Hennigan    | Vice-Principal (Learning & Achievement) |
|                       | Lesley Venables     | Clerk to the Corporation                |

**PART ONE**

**APOLOGIES FOR ABSENCE**

65 Apologies for absence were received from Charlotte Grace.

**DECLARATIONS OF INTEREST**

66 There were no declarations of interest.

**APPOINTMENT OF EXTERNAL GOVERNOR**

67 The Clerk reported that, following an approach being made to the University of Huddersfield, the Search & Governance Committee had recommended Pete Sanderson (Dean of the Faculty of Education) for appointment to the Board.

68 **Resolved -** That Pete Sanderson be appointed as an external governor for a 4 year term of office commencing on 15<sup>th</sup> December 2016.

**Pete Sanderson joined the meeting at this point.**

**PRESENTATION ON PENSIONS**

69 At the recent Financial Performance & Efficiency Committee meeting it had been suggested that the College's Financial Statements Auditors be asked to provide background information on the current pensions deficit within the West Yorkshire Local Government Pension Scheme, particularly in light of the presentational changes brought required by the introduction of Financial Reporting Standard 102.

70 The Board received a short presentation and explanation of the main issues relating to the pensions deficit and asked questions prior to the financial statements being discussed.

## **PERFORMANCE REPORT**

71 Governors received the performance report, which had been prepared 2 weeks prior to the meeting, and some live data updates were provided where these were different. It was noted that the contents and format were now mirrored by disaggregated reports used routinely by management to monitor performance on a weekly basis. The structure of the Performance Report would drive the presentation of the fully completed dashboard, which would support robust monitoring by both governors and managers.

72 Retention and attendance levels had improved slightly as a result of the significant effort being expended by curriculum staff in these areas. Overall, management felt that the College was demonstrating an improving picture in-year and, in particular, the Board noted the significant improvement in attendance on GCSE Maths and English compared to 2015/2016.

73 One area of concern was the lower than anticipated recruitment amongst 16-18 year olds, which, due to the lagged funding model utilising by the Education Funding Agency, would impact on the College's financial position in 2017/2018. The Principal reported that every effort was being made to raise levels of enrolments and align to costs, including restructuring departments and realigning responsibilities of some staff. However, the local demographics for this cohort of learners evidenced a downturn over the previous year.

74 Governors questioned the accuracy of the data provided on apprenticeship attendance and were informed that the same processes needed to be applied to this element of the College's provision as the rest of the curriculum.

75 In response to queries about the 16% of learners for whom no progress in learning gradings had been set, the Vice-Principal (Learning & Achievement) explained that the majority of these learners were studying higher education programmes, for which this would not be undertaken. Only learners who were currently at risk of failing were classified as high risk, with other categories making progress consistent with pass criteria or better.

## **CHIEF EXECUTIVE'S REPORT**

76 The Chief Executive presented his report on strategic issues that had occurred since the October Board meeting. It was noted that there would be a monthly briefing between scheduled Board meetings to keep governors informed of significant developments in the FE sector.

77 The College's work in a number of areas had recently been assessed and had resulted in national recognition. These included accreditation for Leaders in Diversity (with the College ranked 29 out of 180 in the country), the Equality & Diversity Co-ordinator (Shona Lavender) being awarded EDI Lead for 2016. The Association of Colleges' Beacon Award for employer engagement would be used in future marketing activities with employers and was particularly positive on the impact of the changes to the apprenticeship funding including the Levy. Governors asked that their gratitude be communicated to all staff involved.

78 Information was provided on recent student successes within each area of the College. The Chief Executive reported that there was anecdotal evidence that the work

being undertaken was having a strong positive impact on learner outcomes in terms of progression and destinations, with many of the achievements made in job-related activities.

79 Governors received a summary of the recent Ofsted Chief Inspector's Annual Report for 2015/2016. One of the conclusions drawn from the Report was that the current re-sit policy for English and maths did not appear to be working as effectively as anticipated and management felt that this may bring about a re-think of the policy in the long-term. The current and ongoing rigorous approach to GCSE re-sits would continue to be monitored and reported in detail to the Learner Committee. The Association of Colleges had consulted its membership on the same subject. Governors noted that a total of £3m had been clawed back by the SFA from those institutions that had failed to comply with the conditions of funding relating to English and Maths. It was noted that the College was unaffected, having met the requirements in full.

80 The Area Review Report for West Yorkshire had now been published and would be circulated to the Board for information. An implementation group had been established in the region to oversee progress against each of the recommendations. This body would be chaired by either the Combined Authority or the Local Enterprise Partnership.

81 Following the College's decision to work in collaboration with Wakefield and Kirklees Colleges on the development of higher skills provision, a formal agreement had been approved by each Board with a 3 year lifespan and an annual review. The local LEP was keen to ensure that strategic developments on regional skills priorities were delivered and was providing high quality labour market intelligence to support strategic planning.

82 A launch event for the collaborative venture was planned for the New Year. The College had led the establishment of a basic infrastructure and the project was being chaired by the Chief Executive, with support provided by the Executive Team.

83 There had been positive engagement with the Regional Schools Commissioner in relation to the review of post-16 education in Calderdale. The proposal submitted to the October Board meeting on a more structured partnership with Crossley Heath School was felt to have merit, however, there would be a change in leadership at the School at the end of the academic year, which may impact adversely on progress. Work would commence in the New Year on possible governance arrangements in order that these were drafted in advance of any partnership agreement.

84 Governors were reminded that the Board had previously approved participation in a joint venture company formed by the members of the West Yorkshire Colleges' Consortium. The purpose was to act as a vehicle for funding bids in relation to the skills agenda. Three bids had already been submitted on ESIF projects, two of which had progressed to the next stage and were likely to be successful, with a total value of £6m. The third project was a direct replacement for the Leeds City Region Skills Service, which was already operated by Calderdale College and was at the outline stage currently.

85 The Chief Executive reported that the Consortium now required formal arrangements to be implemented in areas such as financial management, audit, quality and governance. Proposals would be discussed by the Chair, the Chief Executive and the Clerk early in the New Year and would be brought back to the full Board for approval.

86 The Deputy Principal presented a proposal for a loan facility to provide operating capital for the joint venture company, which would only be drawn down once all arrangements were in place. In response to questions from governors, management confirmed that the College currently had a loan from Barclays bank for a total of £5.5m.

## APPROVED MINUTES

- 87     **Resolved -**   1     That the loan facility for the West Yorkshire Colleges' Consortium Joint Venture company be approved to a maximum of £100k.
- 2     That delegated authority be given to the Chair of the Board to sign the loan agreement.
- 3     That proposals on the formal arrangements for the Consortium be developed and presented to the Board's April 2017 meeting

## SELF-ASSESSMENT REPORT

88     The Vice-Principal presented the draft Self-Assessment Report for 2015/2016.

89     Governors were advised by the Chair of the Learner Committee that the SAR and QIP had been subjected to a rigorous and extensive validation process, involving a panel of internal and external membership. The Learner Committee had endorsed the panel's recommendation of an overall grading of a '2' or 'good'. All areas for improvement that had been identified would be monitored by the Committee, with regular progress reports to the full Board.

90     The Board expressed its thanks to the Vice-Principal and her team for both the improved content and rigour of the Report and for the underlying work on which it was based.

91     **Resolved -**   That the Self-Assessment Report for 2015/2016 be approved and submitted to Ofsted.

## FINANCIAL STATEMENTS 2015/2016

92     The Chair of the Audit Committee reported that the Committee had considered the Financial Statements for 2015/2016, together with the Financial Statements' Auditor's Management Letter, the Letter of Representation and the Audit Committee's Annual Report (all of which had been circulated to governors in advance of this meeting).

93     Governors noted that the Financial Statements and Regularity Auditor's opinions were unqualified and that only one minor recommendation had been made relating to the write-off of student debts. There had been no adjustments to the Financial Statements in excess of the materiality limit.

94     Financial Reporting Standard 102 had been applied to the 2015/2016 Financial Statements, which required the re-statement of the closing balances of the 2014/2015 accounts in a revised format. The new Standard also affected the presentation of information on the College's pension deficit and holiday pay accrual.

95     The College was required to submit the Finance Record to the SFA at the same time as the Financial Statements. The Deputy Principal advised that the financial health scoring mechanism included in this version would be adversely impacted by the timing of some expenditure on the capital project. The College could, however, opt to self-assess as 'good', provided a clear rationale accompanied the Finance Record.

## APPROVED MINUTES

96 Governors noted that the SFA had not yet issued its funding reconciliation statement to colleges.

97 The Audit Committee's Annual Report for 2015/2016 was presented for information and the overall opinion was that internal control systems were adequate and effective.

- 98 **Resolved -**
- 1 That the Financial Statements for 2015/2016 be approved and signed by the Chair and the Principal, subject to receipt of the SFA's funding reconciliation statement.
  - 2 That the Letter of Representation be approved and signed by the Chair of the Board.
  - 3 That the College be graded as a '2' in the Finance Record financial health grading and that an appropriate explanation be provided to the SFA to support this judgement.

### **AUDIT COMMITTEE – 24<sup>TH</sup> NOVEMBER 2016**

99 The Chair of the Audit Committee presented the minutes of the meeting held on 24<sup>th</sup> November 2016.

100 The Committee had received for information the Financial Statements, the Letter of Representation and the Auditor's Management Letter. These had been discussed in detail and, together with the Committee's Annual Report to the Board for 2015/2016, had enabled it to conclude that internal controls were adequate and operating effectively.

101 A first draft of an internal audit report on the Learner Journey had been presented by the newly appointed Internal Auditor.

102 Governors were advised that, due to the timing of the visit and its proximity to the Audit Committee meeting, it had not been possible to include the management responses in the version of the report presented. The actions identified against each of the recommendations in the report would be completed and presented for information at the Audit Committee's March 2017 meeting. The Learner Committee would also receive a copy of the report to enable it to monitor the implementation of any necessary actions.

103 The Committee had reviewed the performance of the Financial Statements Auditors for 2015/2016 and had graded against each element of the agreed criteria as 'good' or 'outstanding'. A set of indicators had been approved for 2016/2017.

### **FINANCIAL PERFORMANCE & EFFICIENCY COMMITTEE – 17<sup>TH</sup> DECEMBER 2015**

104 The Chair of the Financial Performance & Efficiency Committee gave a verbal report on the meeting held on 1<sup>st</sup> December 2016.

105 The Committee had received a report on the status of items within the last building condition survey (2012), including dates when any outstanding issues would be completed. From 2016/2017 an annual report on the condition survey would be presented to governors.

106 It was noted that the capital project ("Unlocking Potential") had now been completed and had been handed over, with the exception of the Executive area, which would be ready by Christmas. The project was on time and within the agreed budget. The Committee had

expressed its thanks to the Project Manager for this level of performance and for the regular and realistic reports provided throughout. Governors asked the Principal to express their thanks to the internal project team across the College.

107 The final account and costings would be presented to the Committee's March 2017 meeting. There was an ongoing discussion with the LEP over payments and timings, with a small amount of risk that it could be difficult to claim back the monies owed for certain items within the overall project.

108 As discussed earlier, the Financial Statements for 2015/2016 had been received and the Committee had noted the impact of the changes in presentation of the accounts brought about by FRS102. The Statements were recommended for approval by the full Board.

109 In terms of performance, the key issue was the under-recruitment of 16-18s which the College was unlikely to be able to recover at this point and would impact on next year's allocation from the Education Funding Agency. The Committee had been concerned that the College was in a very similar position to that experienced during 2015/2016. Management had explained that it was partly the result of demographics and increased competition locally and that measures had been implemented to improve recruitment. The College needed to improve its market share and continue to manage its costs effectively to enable it to operate on the basis of lower learner numbers.

110 Governors received an assurance that any overspends identified in the performance report could be addressed through receipt of additional income.

111 The Committee had discussed in detail the latest information against each of the performance indicators on the 'dashboard' and received satisfactory answers to questions put to management. However, it had felt that average class sizes were moving in the wrong direction. Management had commented that classes had been amalgamated where possible, but that the level of performance was due to the high proportion of delivery in specialist accommodation.

112 The Committee had received a report on External Funding Skills Service contracts that had been awarded recently to a value of £35m to the end of 2018, for which the College would receive a management fee. The associated risks were discussed, such as dependence on this income in the longer term and clawback for non-delivery of the targets. It was agreed that the Committee would receive regular reports on this area, together with an annual review.

113 A self-evaluation exercise had been undertaken and the Committee graded itself as a '2'. Some good work had been undertaken during the year (eg capital projects, development of performance monitoring), however, the changing membership was thought to have impaired the Committee's effectiveness.

## **LEARNER COMMITTEE – 8<sup>TH</sup> DECEMBER 2016**

114 The Chair of the Learner Committee gave a verbal update on the meeting held on 8<sup>th</sup> December 2016.

115 Following a change in the quality assurance processes required of colleges by the Higher Education Funding Council for England, governors now had to provide assurance that they have received information on the College's HE provision to ensure that they can sign off the annual assurance statement. Due to the submission deadline being 1<sup>st</sup>

December in this first year of operation, the Chair had signed the statement on behalf of the Board. In future years, the statement will be submitted to the Board for approval, with assurances provided by the Learner Committee throughout the year.

116 The Learner Committee had recommended that its terms of reference for Learner Committee should have an additional statement referring to receiving regular reports on quality of HE provision. Such reports will be built into the timetable of future committee meetings, together with the minutes from all Academic Board meetings.

117 Governors had received and approved the draft Self-Evaluation Document for HE provision. This document had been scrutinised by the SAR panel as part of the validation process.

118 The Committee had recommended the Self-Assessment Report for 2015/2016 and Quality Improvement Plan for 2016/2017 for approval by the full Board. The overall grade awarded was a '2' or 'good'. The areas identified for improvement were: attendance, achievement on a small number of courses, improving high grades on English & Maths Study Programmes, ensuring that more learners had access to work experience, reducing under-performance in a small volume of apprenticeship provision and improving positive value added. The QIP contained a series of 'milestones', together with termly reviews of progress against actions, which would allow actions to be amended if they did not bring about the necessary improvements in a timely manner.

119 It was noted that, instead of the balanced scorecard approach that had been used previously, any resourcing implications arising from the SAR process that could impact on learning would be reported to the Learner Committee. This would provide a link between the SAR process for the curriculum areas and that for business support functions.

120 It had been agreed that further strengthening of the Learner Voice process should be undertaken in terms of when the information is captured, using a more structured format and targeted interventions to address any issues.

121 The Committee had received the latest Whole College Performance Report. This indicated a significant improvement of attendance for 16-19s, particularly in GCSE English & Maths. A number of areas of concern had been identified, including attendance levels on some HE and Construction courses, retention on 2 year programmes and the fact that 27.2% of learners were performing below their target grades. All of these had been recognised by management and the Committee had been assured that appropriate actions were in place to address these issues.

122 Governors had noted the improvement in the quality of the information provided in the report during the first term, which enabled increased robustness of monitoring performance.

123 A self-evaluation exercise had been undertaken against a number of identified criteria and the Committee had graded itself as a '2'.

- 124 **Resolved -**
- |   |   |
|---|---|
| 1 | That the SAR for 2015/2016 be approved and submitted to Ofsted            |
| 2 | That the amended terms of reference for the Learner Committee be approved |

## **HEALTH & SAFETY REPORT 2015/2016**

125 Governors received for information the annual Health & Safety Report for 2015/2016.

126 This provided sufficient assurance to support the overall conclusion that health and safety arrangements were strong. The College had recently been awarded the ROSPA Order of Distinction and governors expressed their thanks to all staff involved in this process.

127 It was noted that the number of accidents had decreased compared to 2014/2015, which was commendable given the amount of building work taking place across the College.

128 In response to questions from the Board as to whether the level of accident reporting was as anticipated, the Deputy Principal advised that there was a high level of awareness amongst staff of the need to ensure that all actual accidents and 'near misses' were recorded.

129 **Resolved** - That the Health & Safety Development Plan for 2016/2017 be approved

## **SAFEGUARDING REPORT 2015/2016**

130 Governors received for information the Annual Safeguarding Report for 2015/2016. There had been a total of 91 disclosures during the year, compared to 83 in 2014/2015. The designated safeguarding governor reported that processes and procedures were sufficiently robust and operated effectively.

131 A high proportion of College staff had undertaken Prevent training during 2015/2016 and the College worked closely with other statutory agencies to address potential safeguarding and Prevent issues amongst learners. Student satisfaction levels were high in relation to safeguarding arrangements, as evidenced in the latest survey.

132 The Board was advised that Mark Donaldson had volunteered to become the designated safeguarding governor, as this was linked to his professional background.

133 **Resolved** - That Mark Donaldson become the designated safeguarding governor as soon as a suitable training/development programme had been agreed and following a handover period with the current incumbent.

## **EQUALITY & DIVERSITY REPORT 2015/2016**

134 The Vice-Principal (Learning & Achievement) presented the Annual Equality & Diversity Report for 2015/2016.

135 Governors noted that student profiles in terms of equality and diversity did not adversely affect outcomes, which were consistent across variations in backgrounds. The gaps in achievement between groups of learners with and without particular protected characteristics were minimal.

136 Management felt that the College had a well-integrated student population and the community links that had been forged enabled the organisation to celebrate its diversity.



## **GOVERNANCE ISSUES**

### **Recruitment Update**

137 The Clerk reported that, following the appointment of Pete Sanderson earlier in the meeting, there were currently a further 2 vacancies for external governors.

138 A second candidate had come forward from Huddersfield University through the School Governors' One-Stop Shop. This individual had a background in marketing, PR and digital media, which were skills that the Board had been seeking to add to its portfolio. Arrangements had been made to meet with this individual prior to the next meeting of the Search & Governance Committee on 12<sup>th</sup> January, with a recommendation made to the full Board.

139 The remaining vacancy could be filled by an experienced non-executive director from the healthcare sector, who had been approached by the Vice-Chair. It was intended that this candidate could also be seen on 12<sup>th</sup> January (subject to confirmation of their availability).

### **Performance Self-Evaluation**

140 The results of the recent self-evaluation of individual governors and of the Board as a collective had now been collated by the Clerk. A report on the main findings and how any issues should be addressed would be submitted to the next Search & Governance Committee meeting.

### **Committee Memberships**

141 The Clerk presented a revised schedule of committee memberships. Pete Sanderson had been added to both the Audit Committee and the Learner Committee. It was noted that the 2 remaining vacancies on the Financial Performance & Efficiency Committee could be filled by the candidates due to be interviewed in January 2017, dependent on the Search & Governance Committee's assessment of their respective skills.

142 **Resolved -** That the revised schedule of committee memberships be approved

### **Governor Development Day**

143 The next Governor Development Day was scheduled for 3<sup>rd</sup> March 2017. The Clerk was asked to determine whether a set of curriculum visits could be undertaken prior to that, building on the success of the November 2016 event.

## **MINUTES OF PREVIOUS MEETINGS**

144 **Resolved -** That the minutes of the meeting held on 20<sup>th</sup> October 2016 be approved as a correct record and signed by the Chair.

**MATTERS ARISING**

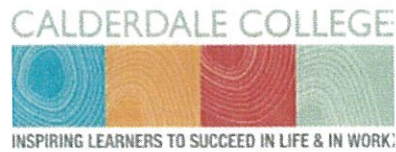
145 Governors received a list of actions from the previous meeting, together with an update on progress against each of these. It was noted that all issues were either in progress, had been completed or featured on this agenda.

**DATES OF FUTURE MEETINGS**

|                               |  |
|-------------------------------|--|
| 12 <sup>th</sup> January 2017 | Search & Governance Committee                |
| 9 <sup>th</sup> March 2017    | Financial Performance & Efficiency Committee |
| 16 <sup>th</sup> March 2017   | Audit Committee                              |
| 23 <sup>rd</sup> March 2017   | Search & Governance Committee                |
| 30 <sup>th</sup> March 2017   | Learner Committee                            |
| 6 <sup>th</sup> April 2017    | Corporation                                  |

Signed by:

Date:



**MINUTES OF BOARD MEETING HELD ON THURSDAY 16<sup>TH</sup> DECEMBER 2016**

|                       |  |   |
|-----------------------|--|---|
| <b>Present:</b>       | Fiona Armer<br>Bailey Casson<br>Peter Clark<br>Rachel Court<br>Mark Donaldson<br>Richie Dunk<br>Letitia Ingham<br>Greg O'Shea<br>John Rees<br>Malcolm Rogers<br>Pete Sanderson<br>Janet Tyas | Chair<br><br><br><br><br><br><br>Principal  |
| <b>In Attendance:</b> | Denise Cheng-Carter<br>Rachael Hennigan<br>Lesley Venables   | Deputy Principal (Finance & Resources)<br>Vice-Principal (Learning & Achievement)<br>Clerk to the Corporation |

**PART TWO - CONFIDENTIAL**

**The staff governors, student governors, Deputy and Vice-Principals left the meeting at this point.**

**APOLOGIES FOR ABSENCE**

146 Apologies for absence were received from Charlotte Grace.

**DECLARATIONS OF INTEREST**

147 Declarations of interest were received from John Rees and Lesley Venables in respect of minutes 148 to 149.

**SENIOR STAFF EMPLOYMENT COMMITTEE – 15<sup>TH</sup> DECEMBER 2016**

148 The Chair of the Senior Staff Employment Committee provided a verbal report on the meeting held earlier that day. Governors were advised that the Committee had sought to balance performance against affordability and the need for senior salaries to remain competitive in the further education sector.

APPROVED MINUTES

149 The performance of the four senior postholders had been discussed in detail by the Committee. It had been recommended all individuals should receive a pay award in line with that approved for the rest of the College's staff, ie 0.5%.

150 The Committee had reflected on the previous decision to pay the Deputy Principal a non-consolidated amount to reflect the seniority of the role and whether this should now be made permanent, based on the higher level of strategic leadership which had been evidenced, particularly during the Area Review process.

151 Governors were also advised of anomalies relating to the respective holiday entitlements for senior postholders. The Committee had recommended that there should be a common entitlement of 35 days per annum. The Board was concerned that this had occurred and the Chair would remind the Human Resources Department of the need to ensure consistency of senior postholder contracts in future.

- 152 **Resolved -**
- 1 That a 0.5% pay increase for all four senior postholders be approved with effect from 1<sup>st</sup> January 2017
  - 2 That the Deputy Principal's salary be increased to £80,000 on a permanent, consolidated basis from 1<sup>st</sup> January 2017
  - 3 That the holiday entitlement for the Principal and the Clerk be increased to 35 days per annum from 2016/2017, in line with the remaining senior postholders



6 April 2017