



**WEST NOTTINGHAMSHIRE COLLEGE
CORPORATION BOARD**

Minutes of the Board meeting held on Thursday 13th December 2018 at 5.05pm

GOVERNORS PRESENT: Kate Allsop
 Ian Baggaley
 Nevil Croston, Chair
 Terry Dean
 Jamie Fryatt
 Malcolm Hall MBE
 Rebecca Joyce
 Mary Mamik
 Neil McDonald
 Martin Rigley MBE
 Sardip Sandhu
 Steve Sutton
 Tony Westwater
 Robyn Hodgson, Student Governor
 Martin Sim, Interim Principal

ALSO IN ATTENDANCE: Maxine Bagshaw, Clerk to the Corporation
 Tom Stevens, Deputy Principal: Business Development
 John Owen, Interim Finance Director
 Louise Knott, Vice Principal: Communications Engagement & Student Experience
 Amanda Jogela, Director: Quality and Performance
 Julian Smith, Director: Learning and Innovation
 Gavin Peak, Director: IT & Estates
 Jayne Peacock, ESFA Observer

ACTION by whom	DATE by when

1 DECLARATION OF INTERESTS

The Chair reminded everyone present to declare any interests that they may have in matters to be discussed. No specific interests were declared and standing declarations were noted.

2 WELCOME INTRODUCTIONS AND APOLOGIES FOR ABSENCE

Apologies for absence were received from Paul Frammingham, John Holford, Jon Mold, Lee Radford, Kate Truscott, Jane Hawksford and Cassidy England.

Signed : _____Chair

Date:

3 **MINUTES OF THE MEETING HELD ON 22ND NOVEMBER 2018**

The minutes were reviewed and two minor typographical errors were noted:

- On page 6 – the action due date should be February 2019 and not 2018
- Page 7 – the abbreviation should be FNTI and not FNOC

Subject to these minor amendments, it was agreed that the minutes were an accurate record of discussions.

AGREED: to approve the minutes of the meeting held on 22nd November 2018.

There were no matters arising.

4 **ACTION PROGRESS REPORT**

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

5 **PRINCIPALS REPORT**

The interim Principal introduced his written report and provided an update on a number of areas.

1) Restructure update

He confirmed that the main exercise is currently underway and the second phase is planned to commence in April 2019. The College has been through two stages of 1:1 consultation meetings. Running alongside this the College is offering a voluntary redundancy scheme and at the current point in time 13 or 14 staff have come forward and their positions are being reviewed. All new posts have been frozen whilst the restructure is undertaken. He confirmed that the College has consulted with trade unions and the feedback is that staff are upset at the level of the restructure required. The interim Principal confirmed that he has shared completely the College's financial position, including the lack of cash the level of debt.

He advised that the current value of expected savings is £3.1 million, which is against a target of £2.7 million. Currently the restructure costs are higher than expected, however, the aim is to reduce these down to £1 million. He described the process as being 'on track'. He confirmed that HR support has been established for staff, with surgeries provided in all centres. Staff continue to do a wonderful job for the learners and the College continues to get really positive student feedback.

Signed : _____Chair

Date:

He advised that, to date, the reports in the local press have been as positive as they could be. Student numbers still remain strong, with the college being 210 students up on the same point in the prior year, of these 120 are Year 11 school leavers. In addition apprenticeship numbers are also looking positive for next year.

2) KPI update

The Board were advised that only three KPIs have been updated since the last report. Key points for Governors to note were:

- Graph 1 – as at 4th December 2018 enrolments were 2687, a decrease from the last report of 53 learners. From January onwards the College will switch to reporting retention rather than enrolment.
- Graph 3 – AEB budget shows an increase of £374k since the last report. The figures show a decrease in the proportion of learners outside D2N2 and an increase in both Mansfield/Ashfield and other (inside) D2N2.
- Graph 4 – attendance figures have declined very slightly since the last report. 0.5% in main qualifications and 0.8% in Maths and English.

3) Safeguarding & Equality and Diversity

The College continues to see an increase in safeguarding referrals. The number of referrals for December were 323, which is 51 above the same month last year. It was confirmed that the senior team are working with curriculum teams to ensure that they are applying the appropriate threshold for referral. Feedback from the national student managers forum is that other colleges are experiencing a similar spike, however they, like us, report that some of the spikes may be to do with the threshold for reporting concerns. The amount of referrals generated as a result of absence is definitely on the increase in College and as a consequence processes and procedures are being reviewed. There has been one prevent referral in late November which is being actively supported by the police service's Prevent team; this may lead to formal channel intervention. In a similar vein, senior staff met with the regional Prevent coordinator who updated on key developments locally; he advised that colleges generally need to be aware of the release of offenders under the Terrorism Act and returnees from foreign conflict zones who are seeking places at FE Colleges.

In relation to equality and diversity, the College has responded to one parental complaint regarding support for a visually impaired student; this is quite a complex issue with resolutions ongoing. The College is engaging the support of RNIB in the new year to undertake a review and advise on any additional actions required.

4) Registers, retention and attendance

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The statistics provided in the written report were considered and, in terms of attendance decline, concern was raised as traditionally there is also a reduction after Christmas and therefore this needs to be a focus. The Board questioned for how many months register compliance/completion has been below target. It was explained that this has been the case for the last five weeks. The Board were advised that the end of year position over the last 3-4 years has always been on or around 89% and as a consequence the college has never hit the 93% target set. The Board expressed some concern in terms of processes and compliance expectations. They questioned why paper registers would be used at all. It was explained that paper registers are used in situations where no IT is available, for example when individuals are working on the farm, however it was acknowledged that not all on campus recording is by IT. A challenge from the Board is that a strong message needs to be sent to staff spelling out the expectation regarding compliance with procedures established.

The Board questioned why attendance is such a challenge. It was explained that there are a number of contributing factors, including illness, safeguarding etc. The Board asked if there was a sector standard in relation to attendance percentages. It was explained that 93% is the usual target for a GFE college, however this is a stretch target with 90% being more realistic. The view expressed was that attendance of around 89%-90% would not raise a negative comment at Ofsted inspection. Compared to other colleges in the sector, the English and Maths statistic of 82.6% is not too bad; colleges usually report a 10% difference between vocational attendance and English and Maths attendance.

In terms of the attendance report provided, the Board requested that in future reports attendance be broken down by levels and compared with national benchmarks. It was acknowledged that level 2 learners tend to be the most challenging to get to target. It was noted that A-Level attendance is 93%. The Board were advised that there are some really poor-attending students who negatively impact upon statistics. It was confirmed that there are funding rules which cover when an absence becomes a withdrawal, and this is actioned appropriately by the College.

As an overall observation the Board were advised that, in real terms attendance is not an issue at West Notts. Whilst it can be improved it would only be possible to squeeze out small increases. The Board felt that there was a need to look at the attendance KPI and report by level and age. A challenge from the Board was that poor attendance is not getting students ready for work.

5) Room utilisation

The information provided within the written report was discussed and the Board questioned how this sits alongside the targets set. It was acknowledged that the statistics are well below the sector average and

Principal 2019

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the sector target. Staff explained how utilisation is calculated in terms of occupancy x frequency. A challenge raised by the Board was the fact that Derby Road utilisation has not improved dramatically despite the fact that additional staff moved to Derby Road and therefore students would be squeezed in to less space and therefore it would be imagined that the College would see an increased percentage. A challenge from the Board was that the College really needs to better understand its use of space. They asked for much more detailed analysis and a breakdown between occupancy and frequency and the profile of use throughout the week. The Board all agreed that the college could certainly better use its space overall.

Staff made the observation that, if space were to be mothballed, then savings would not be substantial unless large areas were closed. Whilst acknowledging this, a challenge from the Board was that it was important to be able to assess profitability of provision and that this is not possible without understanding the costs associated with space utilisation. The Board indicated that it must be possible to see real savings in terms of heating, PCs/monitors being on standby etc. They asked that a forensic review of this be undertaken. It was noted that all devices automatically shut down at 9pm.

AGREED: to note the content of the update provided.

6 APPRENTICESHIP ACTIVITY REPORT

The Director of Quality and Performance introduced this written report and explained that the information focuses on a withdrawals update and a review of learners who are 'not in learning'. She confirmed that analysis shows that there is an issue to be fully understood in relation to the London office, which predominantly provides business admin and retail qualifications.

In terms of the report provided she confirmed that the conclusion is that several apprentices, particularly those in London need to be withdrawn from the College system. The data table at appendix 1 identifies the apprenticeship withdrawal data as at 27th November 2018 for the academic year 18/19, which is currently 24.2%. The MIS team is currently processing the withdrawals and the impact on the data will be reported in the new year. As at 5th December 2018, there are a further 454 withdrawals for business and management and retail and 696 apprentices within this area are currently being investigated to ensure progress. This may impact negatively on achievement data for 18/19 and also there will be a financial impact.

The interim Principal indicated that the scale of any financial impact or negative influence on success rates was not known at this point in time, but that the College should have greater certainty following the completion of audits over the next 24 hours. He confirmed that staff were undertaking audits regarding the last date of learning for each and

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every individual on the data record. He confirmed that Cap4 and SIDDHI investigation statistics are not included within these figures. He confirmed that staff are reviewing every learner to assess whether they are genuinely taking breaks in learning. In terms of assurance going forward, it was confirmed that there are no new learners placed with subcontractors.

One member of the Board raised a challenge and questioned whether there were any safeguarding issues in terms of not tracking these learners properly. The interim Principal acknowledged that potentially there could be. He confirmed that staff are contacting all learners and employers on a line by line basis to check that they are where they should be. Assurance was given to the Board that power pivot and the One File online system introduced will prevent systems failing again in the future. The Board questioned whether the College is happy with its QA activity. The interim Principal confirmed that the College is, but that it is not happy with the consistency of usage. He confirmed that this was being addressed and that usage has significantly increased but is not yet at 100%.

Noted as an area for improvement is Construction. It was confirmed that the systems are now in place to check learner positions weekly. It was confirmed that a lot of people have been put under pressure to ensure compliance. The interim Principal was at pains to point out that there are some areas of very good provision and it is not the case that it is all bad across the Board. In some areas the issues has been a failure by staff to engage with the instructions provided. Senior team have now identified where there is poor practice and are working with staff on a daily basis to address. The aim is to see sustained improved practice.

A challenge from the Board was that poor tracking is poor leadership and management. The Board were advised that staff changes have been made in terms of the monitoring arrangements. The Board questioned when the College will have confidence in the data available regarding apprenticeships. It was confirmed that this would be the first week back after the Christmas break.

A concern was restated by one Governor in that this appeared to potentially mean 16-18 year old safeguarding concerns. Because of this she indicated that it was important to know what is happening in terms of process changes. A request was made for a 16-18 focus report to include both on campus and in workforce provision. Staff indicated that there was a significant piece of work to do in terms of the information that the College is provided with by employers.

The Board were reminded that there is £2 million included within the financial forecast for clawback, however there is potential for this to increase. The Board indicated that apprenticeship provision is a key component part to the budget and is currently a significant concern. It is critically important that the College resolves any system and quality

Dir Q&P

Standards
Comm Feb
2019

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issues before it can move forward with confidence. The Board were given assurance that changes have been made to the way in which apprenticeship provision is monitored and managed, this includes:

- a) Staff within student support attaching to the learner
- b) Schools of learning having to engage with customer care and curriculum delivery

It was confirmed that the executive will monitor these two things together, and the executive now also have the ability to monitor individual learners. Previous system and process isolation has been removed. All agreed that it was important to improve the customer focus and level of customer care.

The interim Principal expressed the belief that there needs to be a complete recalibration of the service offered by the College. It was noted that potentially the ESFA can go back for a period of 6 years regarding clawback. This has wider implication in terms of government payments and potentially what has not been delivered.

AGREED: to note the content of the update provided.

7 HE CENTRE – LEP CAPITAL INVESTMENT CONDITIONS

The Deputy Principal introduced this item and drew a number of key matters to the Boards attention:

- The D2N2 local growth fund (LGF) provided an opportunity to invest in a number of major projects in priority areas for the local economy in Nottinghamshire and Derbyshire. The university Centre was one of the first schemes to be awarded grant funding: £2.61 million on 7th September 2015.
- The aim of the project was to create a new teaching space to increase the capacity of the college to deliver higher level skills – including expansion of the existing HE offer.
- To support the business plan the University of Derby had conducted analysis that highlighted the need to increase the proportion of the workforce qualified to Level 4 or above in the East Midlands. The research also identified areas where the growth in higher level skills is likely to be greatest. This included business services, health, retail, manufacturing of transport equipment and construction.
- The College completed construction of the University Centre in October 2016 at a cost of £6.5 million. This included provision of a 3G 5 aside football pitch.
- The business plan for the centre is built around a number of opportunities including expansion of existing HE provision, post graduate and professional courses, access to HE programmes and higher apprenticeships.
- The University Centre has been open 2 years and currently has 378 HE students through a mix of HNC, HND, Foundation Degrees and top up Honours degrees.
- The College has been able to maintain the 18/19 intake at the

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same level as the 17/18 intake against increasing competition from Universities, however this is set against a background of much higher planned growth and student numbers set as key performance indicators by D2N2 LEP and receipt of LGF grant.

- The baseline number of HE students was 503, but with incremental growth the numbers should be 690 in 2018/19. Presently this is 374 (54.8%) of target. The total projected number of students, including HE and higher level apprenticeships, to meet the KPI for 18/19 are 1092. Forecast numbers are anticipated to be around 664 (which is 60.8%)
- The project will be evaluated at the end of the monitoring period in March 2021. An urgent priority for the executive team in 2019 will be to develop a new higher education and higher level skills strategy in conjunction with the D2N2 LEP, which will meet the project aims and conditions of grant funding.

The Board considered the report and expressed concern that the College was so far under target and were not meeting the aims which underpin the business plan for investment. The College is significantly down in terms of the target number of students. It was confirmed that numbers include some short course activity that has not developed/expanded as planned. In terms of the future it was confirmed that the forecast for HE numbers is a steady state rather than growth.

An observation made by the Board was that the College actually had more HE students prior to the new building being constructed.

The LEP were advised in June 2018 that student numbers were significantly under target. Staff have not been able to agree a meeting date with D2N2 but this is a priority. The worst case is that they could ask for clawback, however it should be noted that provision for this has not been made in the forecast, however it has been acknowledged as a risk.

The Board questioned whether there was potential to renegotiate with the LEP given the change in the landscape. It was agreed that this was a possibility. Governors questioned how businesses are made aware of the Colleges facilities as they felt that there was more that could be done than is currently the case. A challenge from the Board is that the College needs to look and take a more commercial approach.

The Board asked for clarity in terms of the level of LEP monitoring. The Deputy Principal confirmed that the College is required to submit data to the LEP and this has been done and did in fact prompt a letter regarding KPIs, however it is unclear whether the former Chief Executive responded to this. It was restated that a meeting has been requested but is yet to be arranged.

The Board asked what the College currently does in terms of engaging HE learners. It was explained that the business plan is predicated on new HE

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courses which haven't come to fruition. It was never the expectation to grow significantly with existing courses. A challenge/question from the Board is whether or not the HE curriculum is wrong. It was explained that there was a delay in terms of new course activity. No courses have been removed and in real terms the college has the same offer.

The senior team indicated that now being in UCAS allows the College access to much broader data which can be used more effectively. The Board questioned who decides the HE curriculum. It was explained that this is part and parcel of the business planning cycle. A challenge from the Board was that the development of new courses needs to be based upon solid data available. A challenge from the Board was that the D2N2 area has eight priority sectors and that the College should match its delivery to known demands. It was confirmed that the College does do this in some areas, for example engineering, health and sciences. The view of the Board was that the College needs to be focused on vocational specialisms. It was acknowledged that there is a piece of work to do in terms of better understanding employer demand.

The Board discussed a number of opportunities to assess and all felt that the University Centre needs more of a separate identity and greater differentiation from the College. It was confirmed that the College can never be a University in its own right but that there are options in terms of a strategic partnership. That being said, a challenge from the Board was that the College cannot be 'everything to everyone' and stabilising the College has to be a priority. In terms of HE provision it was noted that there is 50/50 split between the 18 year olds and then the more mature students.

AGREED: to note the content of the update provided.

8 **RISK REPORT**

The Vice Principal introduced her report and confirmed that the recommendations have been reviewed by the Audit Committee. By way of context she advised that College Governors considered and approved the College's risk strategy and risk register at their meeting in July 2018. Since then a number of factors have significantly changed the College's risk environment, not least the FE Commissioners visit and subsequent report alongside key issues around the college's financial position. As part of the Commissioners stocktake visit in October they recommended that the College reconsider its approach to risk and in particular reassess its risk appetite. In the strategy approved in July 2018, six out of eleven areas within the College's risk strategy are defined as 'risk taking'. Governors now need to consider, in light of some of the challenges now faced by the College as a result of (in some cases) overly ambitious targets, whether this continues to be the right approach to take. An alternative view might be that, in light of some of the challenges, a more prudent and some might say risk averse approach may better to secure the future direction and strategy of the organisation.

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She was keen to point out that being described as ‘risk taking’ does not mean throwing caution to the wind and being risk hungry. All felt that taking risks needs to be backed up by an evidence based business plan. It was agreed that risk at a certain level regarding any particular project or initiative should come back to the Board for discussion. The Board agreed that they were generally happy with the approach proposed. Governors were specifically asked to consider the revised statement of risk appetite that is contained within appendix 1 to the document. The Board were pleased to see that it provides more of a sliding scale.

In terms of the register, the College has identified a number of key sensitivities as part of its financial recovery planning process and the sensitivities have now been included within a revised risk register. Governors were asked to consider and approved the revised risk register. She indicated that as the College works through negotiations with the Bank and ESFA it is hoped that many of the risks currently RAG-rated red will be mitigated and as such it is proposed that a short update be provided to members at each meeting as part of the Board’s overall monitoring of the College’s financial strategy. She indicated that there is the expectation that some of the financial risks will change significantly over time but that they currently have to be considered red RAG-rated. It was agreed that a simple update on key financial recovery risks would be provided at each meeting with a focus on those that are red or amber.

Vice
Principal

Each
meeting

The Board all agreed that the risk register should be a living, breathing document. A challenge from one Board member was that if a challenge is risk-rated as green but is trending in the wrong direction then this is something that needs to be brought to the attention of the Board. The Board questioned how often the risk register is reviewed. It was confirmed that this is on a weekly basis by the executive. It was agreed that the senior team would provide a report on risk mitigation at every meeting and that at FRE Committee financial risks would be reported and debated.

Vice
Principal

Each
meeting

A question and challenge from one member of the Board was that quality concerns also need to be included within the register. It was felt that this needed to be added in light of the apprenticeship data discussed earlier in the meeting. There was a strong review that this requires scrutiny from the Board and that what is important is the monitoring of the mitigation action plan. The Board expressed an expectation that the FRE Committee would identify a handful of risks that need to come to Board for discussion. It was noted that some of the financial risks are short to medium term and that it is really important that the depth of the risks are known and appreciated. All agreed that the role of the Board is to scrutinise and ask the right questions.

One member of the Board questioned how governors reconcile a very ‘risk averse’ approach on finance with the ‘risk hungry’ approach on commercial/new products. The view expressed was that if something

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goes wrong commercially then it almost always has an impact financially. Assurance was given that full reports on commercial activity and new products would be reported to the Board so that informed decisions regarding risk can be debated.

Subject to the comments to be actioned from the meeting today it was AGREED to

- a) Approve the revised statement of risk appetite, and
- b) Approve the revised risk register.

The Board specifically considered risk line 11 and felt that an Ofsted inspection in relation to apprenticeship provision needed to be added and this risk made broader and to include an input from Amanda Jogela in relation to quality.

Dir Q&P

Dec 2018

9 HE QA STATEMENT

The Director Learning and Innovation introduced this item and explained that each year the College is required to provide an annual provider assurance statement for its Higher Education provision, for 17/18 this needs to be presented to the newly formed Office For Students (OFS). The governing body are required to submit annual assurance about

- a) The continuous improvement of the student academic experience and student outcomes
- b) The reliability of award standards.

The guidance from OFS explicitly confirms that it is not the role of the governing body to be drawn in to quality management activities but rather to receive reports and challenge assurances from elsewhere in the College.

As an observation the Board agreed that it was the role of the Standards Committee to make recommendations to the Board rather than the Board undertaking all of the detailed debate. In terms of process going forward, what they would like to see is recommendations from the Committee that are simply accepted rather than significant debate at Board level. They would like to see the development of a Chair's report with recommendations.

Committee
Chairs

2019

In reviewing the assurance statement, a challenge from the Board was that the document simply states the processes but does not state the evidence to support the confirmation provided. It was confirmed that the quality improvement plan includes all of the metrics and that this is regularly reported to the Standards Committee. The Board were content to approve the signature of the HE QA statement and asked for subsequent reassurance to the Board through discussions at the Standards Committee.

AGREED:

- A) To note the content of the update provided

Signed : _____ Chair

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- B) Approve the HE OFS annual assurance statement provided for 2017/18 as presented.

10 **REVIEW OF 2017/18 CONFIDENTIAL MINUTES**

The Clerk introduced this item and confirmed that an annual review is undertaken. The Board felt that the report presented was self-explanatory and were happy to endorse the recommendations made by the Clerk.

AGREED:

- A) To note the content of the update provided, and
B) Approve the release of the highlighted minutes of meetings previously determined to be confidential.

11 **HR REPORT – USE OF COLLEGE LEVY**

The report prepared by the Head of HR was discussed. It was noted that since the launch of the levy in May 2017, fifteen staff who were supported have withdrawn due to leaving college employment during their apprenticeship. Two staff members are currently on pause with their apprenticeship. The Board asked for further detail in relation to this. They asked for clarity as to why the fifteen members of staff had withdrawn and they asked for clarity regarding whether the ones currently in learning will also be in a similar position.

HR Dir

FRE Comm
Feb 2019

In terms of the current levy funds available in the digital account, which amounts to £97,476, the Board asked for clarity regarding how much of this is approaching the 24 month period.

HR Dir

FRE Comm
Feb 2019

AGREED: to note the content of the update provided.

12 **MANAGEMENT ACCOUNTS – OCTOBER 2018**

The interim Finance Director presented the accounts and confirmed that for this month the position is still monitored against the original forecast. The November accounts will be on the basis of the reforecast position and financial recovery plan. A challenge from the Board was to report on the position against quarterly targets rather than against yearend forecasts. What they would like to see is a rolling 13 week forecast. The Board agreed that they wanted to receive management accounts for discussion rather than for information at each meeting. An observation made by the Board is that it is much simpler to monitor finances on the basis of quarters, as this then allows trends to be spotted. They asked that reporting be on the basis of monthly against the revised forecast and the forecast for the remainder of the year. The Board restated that management accounts should not be provided for information only.

Signed : _____ Chair

Date:

As an observation the Board felt that the sequencing of agenda items needs to be reviewed and it was agreed that financial monitoring should always come first on the agenda.

In considering the accounts provided a query was raised in relation to trade debtors shown at page 7, and in particular there appears to be a significant amount at +90 days. Governors questioned whether this is usual. It was explained that this is impacted by the system utilised for recognising HE fees. The interim FD explained the position and it was acknowledged that this distorts the figures. It was agreed that debtors would be split out in more detail in future accounts to give greater transparency.

In terms of bad debt, this primarily relates to two subcontractors and the College's ability to reclaim overpayments that were made.

AGREED: to note the content of the management accounts presented.

13 **MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 29TH NOVEMBER 2018**

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

14 **AOB**

There were no items of additional business.

15 **DATE AND TIME OF FORTHCOMING MEETINGS**

The Clerk confirmed that the next scheduled meetings were

- a) 10th January 2019 at 9am - which is a Governor development day
- b) 31st January 2019 at 5pm - which is the next Board meeting

16 **CONFIDENTIAL ITEMS**

It was agreed that confidential items would be recorded separately.

(Staff and student governors left at 7.25pm)

Meeting closed at 8.55pm.

Signed : _____ Chair

Date: