

**MINUTES OF THE CORPORATION MEETING**

**HELD ON TUESDAY 6 December 2016**

**Present:**

Tracey Branson	Governor
Pat Brennan-Barrett	Governor (Principal)
Ellen Buttler	Governor
Bill Chalker	Co Opted member of Audit Committee
Rob Davey	Governor
Mark Hall	Governor
Julia Harley	Governor
Philip Hilton (Vice Chair)	Governor
Martin James	Governor
Geraldine Schofield (Chair)	Governor
David Smith	Governor

The quorum for the meeting was six Members.

**In attendance:**

Steve Rankine	Director of Finance and Corporate Affairs
Patrick Leavey	Deputy Principal
Gary Brough	Director of Estates
Stuart Markham	Fusion Project Management
Julie Brasier	Clerk to the Corporation

The meeting was held in the Boardroom and started at 6.00pm.

<b>1</b>		<b>Apologies</b>	<b>Action</b>
	1.1	Apologies were received from Roger Morris and Henrietta Appiah.	
<b>2</b>		<b>Declarations of Interest</b>	
	2.1	The Chair reminded Members to declare their interests as and when necessary on the agenda.	
<b>3</b>		<b>Minutes of the Corporation Meeting held on 11 October 2016 and any action points and matters arising</b>	
	3.1	The minutes of the meeting held on 11 October 2016 were agreed as a correct record and signed by the Chair.  It was noted that the spelling of Julia Harley's name in Minute 5.5 needed correction.	
	3.2	<b>Matters Arising/Action points– 11 October 2016</b> <b>Minute 6.6 – Staff Development Report</b>  In response to the question asked, 94% of teaching staff had teaching qualifications or were in the process of gaining them.	

<b>4</b>		<b>Determination of Any Other Business</b>	
	4.1	Item 17 refers.	
<b>5</b>		<b>Daventry Project</b>	
	5.1	The risk register and progress report had been circulated with the agenda. The Director of Estates advised that the College had moved into the building on 26 and 27 November with teaching starting on 28 November. There were some teething issues.	
	5.2	The project was at least on budget and may come under budget because of the contingency planning that had taken place. All statutory authority approvals were in place with the exception of BT. Four more phonelines were required. The old premises had been emptied.	
	5.3	Stuart Markham of Fusion Project Management went through the Progress Report. The report had been written in mid November and there had been some changes since.	
	5.4	Technical approval was now in place for highways matters, the College entrance and drainage. The relevant legal documents were awaited and this was linked to the road closure required to complete the drainage works. This was scheduled for January. Temporary solutions were in place where necessary.	
	5.5	The building had been commissioned and there was an ongoing snagging process. This would last three months. There was one condition on the planning permission to be discharged relating to acoustics. A variation in wording had been agreed and this was expected to be discharged shortly.	
	5.6	The demolition works would include the removal of asbestos and quotes for this part of the works were being obtained. The demolition work was due to be completed in March.	
	5.7	Refurbishment of the changing rooms was being looked at. The Corporation asked what the plans were for this area; the College was looking at a conversion into an educationally based care home teaching facility. This would be in line with local employment needs.	
	5.8	It was a condition of SEMLEP funding that the scheme met BREAAAM standards. This had been achieved for the design and now needed to be achieved for the construction.	
	5.9	A contribution towards the redesign of the sewer had been sought from the housing developer.	
	5.10	The risk register had been updated. There were a few matters still outstanding as mentioned above but once these were completed, the focus would then be on the demolition works.	
	5.11	The Daventry building would be formally opened on 7 February and all Governors had been invited to this.  The Corporation thanked the Director of Estates and Stuart Markham for their hard work on the project.  <b>RESOLVED C[60/16]</b> <b><i>The Corporation resolved to note the update on the Daventry project.</i></b>	
<b>6</b>		<b>Health and Safety Statement</b>	
	6.1	The Health and Safety Statement had been circulated with the agenda. It was noted that changes had been made to the operation of the staff committee for health and safety matters so that it was now in line with current practice.	

		<p><b>RESOLVED C[61/16]</b></p> <p><b><i>The Corporation resolved to approve the Health and Safety Statement and that it be signed by the Chair.</i></b></p> <p><i>Gary Brough and Stuart Markham left the meeting at 6.25pm</i></p>	
7		<p><b>Key Performance indicators for the Strategic Plan 2016/17</b></p>	
	7.1	<p>The report on the key performance indicators had been circulated showing progress since the previous meeting.</p> <p><i>2.3 – Data – is there an action for Corporation members in relation to the data dashboard?</i></p> <p>No but an update on data projects for the Corporation would take place as part of the Strategy Day in January.</p> <p><i>1.3 - what denotes an aspirational target?</i></p> <p>A and AS level outcomes were measured by the ALPS system, a national data base looking at prior attainment and value added. This measure did not exist for level 1 and 2 courses and for these qualifications the College would set aspirational targets.</p> <p>With data on key areas such as attendance, retention and standards of teaching now being more sophisticated, the Principal would be changing the title of this report to a report on an overview of the College.</p> <p><i>1.2 Triangulation between learner voice outcomes and the quality of teaching and learning – what will the output be?</i></p> <p>Detailed reports on learner voice go to QLTA Committee and learner voice conclusions are compared against outcomes and teaching and learning.</p> <p><b>RESOLVED C[62/16]</b></p> <p><b><i>The Corporation resolved to note the update on progress towards the key strategic objectives for 2016/17.</i></b></p>	Principal
8		<p><b>SAR, QIP and Learner Outcomes</b></p>	
	8.1	<p>The SAR, QIP and data report supporting these two documents had been circulated with the agenda. The QLTA Committee had met immediately prior to the Corporation meeting and had looked at these documents in detail. The Deputy Principal explained that the SAR had been aligned to the latest version of the Common Inspection Framework.</p>	
	8.2	<p>Based on the comprehensive data the College now had, the Executive Team had concluded that the College was a grade 2 College in terms of overall effectiveness. Within that judgement there were subgrades. Provision for students with high needs, learning difficulties and/or disabilities and Additional Learning Support was graded 1. The four areas of Leadership and Management, Quality of Teaching Learning and Assessment, Personal Development Behaviour and Welfare of Students and Outcomes were all graded as a 2. For each of these strengths and areas for improvement were noted in the SAR.</p>	

		There were also judgements given by types of learning and by subject sector area.	
8.3		Particular strengths highlighted included: <ul style="list-style-type: none"> <li>• The quality of teaching and learning</li> <li>• Financial strength enabled curriculum investment</li> <li>• There was a clear focus on significant areas such as English and Maths</li> <li>• There had been investment in staff training and sharing good practice as well as raising expectations</li> <li>• Students were engaged and behaved well</li> <li>• For outcomes overall there was a three year upward trend with greater consistency across the College. (inadequate provision was now down to 2.8%).</li> </ul>	
8.4		Ellen Buttler, as Chair of QLTA Committee, advised the Corporation that the Committee had considered the documents in detail at their meeting and highlighted the following: <ul style="list-style-type: none"> <li>• The process leading to the SAR which involved each area going through a self evaluation process</li> <li>• The reporting data and how it was split for different aspects was very helpful in understanding the quality of provision across the College in terms of both subjects and different groups of students as well as covering retention and attendance. This meant that the Committee could be confident in the SAR's conclusions</li> <li>• The construction of the report was good</li> <li>• There was a clear focus on particular areas</li> <li>• The Committee had discussed the gradings the Executive team had given and agreed with these</li> <li>• Achievement rates were above national average (3 -7%) and on this basis the Committee agreed that Outcomes should be a grade 2</li> <li>• The pace of improvement, quality of data, exemplary student behaviour, good teaching learning and assessment, strong partnerships with employers and other educational institutions were all very positive indicators.</li> </ul>	
8.5		The Committee had also noted the areas for improvement and these included: <ul style="list-style-type: none"> <li>• Sport, public service, AAT and Apprenticeships</li> <li>• English and Maths – the grades achieved were credible and all above the national average; course changes would mean that this remains an area for improvement</li> <li>• Stretch and challenge</li> <li>• Attendance in English and Maths</li> </ul>	
8.6		The Committee concluded the SAR was accurate in its judgements and would recommend them to the Corporation. The Committee had discussed in detail the grading for apprenticeship as there was an element of risk to the grade 2 judgement of "good". <p><i>Does attainment for apprentices go down as numbers go up?</i></p> <p>The provision is growing. Some apprentices achieved their qualification outside the deadline. There were some issues arising out of previous practice. In year improvements could be shown with 100% retention achieved so far for 2016/17</p>	

		<p>through close monitoring. The external validation for teaching and learning for apprentices was strong.</p> <p><i>Has there been a reduction in entry standards?</i></p> <p>No</p>	
	8.7	<p>Ellen Buttler also advised that the Committee had looked at the QIP. This was consistent with the SAR and included a column to measure expected impact and therefore progress could be reported on.</p> <p>The Corporation expressed its thanks to the staff in their preparation of the reports and the QLTA committee for its thorough review of both documents.</p> <p><b>RESOLVED C[63/16]</b></p> <p><b><i>The Corporation resolved to accept the SAR for 2015 – 16 and the QIP for 2016 -17.</i></b></p>	
<b>9</b>		<b>Audit Committee Annual Report</b>	
	9.1	<p>Mark Hall, Chair of Audit Committee, presented the Audit Committee’s Annual Report. The report summarised the Committee’s work for the year and the external assurances from the Internal Audit providers and the External Auditors who had given a clean report. Other Board Assurance measures were also included in the report.</p>	
	9.2	<p>The Committee were of the opinion that:</p> <ul style="list-style-type: none"> <li>• The College’s systems of internal control are adequate and effective</li> <li>• The College’s audit arrangements and framework of governance are adequate and effective</li> <li>• The College’s arrangements for risk management, control and governance processes, securing economy, efficiency and effectiveness (value for money) are adequate and effective</li> <li>• The Committee has effectively discharged its duties as set out in its terms of reference.</li> </ul> <p><b>RESOLVED C[64/16]</b></p> <p><b><i>The Corporation resolved to approve the Audit Committee Annual Report for 2015/16</i></b></p>	
<b>10</b>		<b>Letter of Representation, Audit Findings and Financial Statements Approval for the year to 31 July 2016</b>	
	10.1	<p>The Director of Finance and Corporate Affairs advised that RSM UK LLP had presented the Audit Findings Report and the annual Financial Statements for 2015-16 to the Audit Committee on Thursday 1st December 2016. The Report provided a clean audit opinion, no impropriety issues were identified, no significant deficiencies in internal control were noted, no issues with accounting policies, disclosures and estimates was discovered, and the Auditors concur with management’s view that the financial statements are drawn up on a going concern basis.</p>	
	10.2	<p>The Audit Findings Report also includes two letters of representation (one relating to the Financial Statements, one relating to Regularity) which are to be signed by the Chair of the Board of Governors and the Accounting Officer (Principal).</p>	

10.3	<p>The Financial Statements have been prepared in accordance with the new F&amp;HE SORP 2015 (Standard of Recommended Practice). The main differences compared to the preparation of accounts previously are:</p> <ul style="list-style-type: none"> <li>• Classification of Deferred Capital Grants as Creditors (Liabilities)</li> <li>• Calculation of a Holiday Pay Accrual</li> <li>• Revision of Pension Scheme postings, including an increased interest charge.</li> </ul>																							
10.4	<p>The Financial statements showed:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Surplus before tax per accounts</td> <td style="text-align: right;">£ 616k</td> </tr> <tr> <td>FRS 102 pension adjustment</td> <td style="text-align: right;">£ 700k</td> </tr> <tr> <td> </td> <td></td> </tr> <tr> <td>Surplus as per Management Accounts</td> <td style="text-align: right;">£1,316k</td> </tr> <tr> <td> </td> <td></td> </tr> <tr> <td>Adjustments – non-operational items:</td> <td></td> </tr> <tr> <td>Depreciation</td> <td style="text-align: right;">£3,839k</td> </tr> <tr> <td>Release of capital grants</td> <td style="text-align: right;">(£2,696k)</td> </tr> <tr> <td>Surplus on sale of fixed assets</td> <td style="text-align: right;">(£4k)</td> </tr> <tr> <td> </td> <td></td> </tr> <tr> <td>Surplus excluding non-operational items</td> <td style="text-align: right;">£2,455k</td> </tr> </table>	Surplus before tax per accounts	£ 616k	FRS 102 pension adjustment	£ 700k	 		Surplus as per Management Accounts	£1,316k	 		Adjustments – non-operational items:		Depreciation	£3,839k	Release of capital grants	(£2,696k)	Surplus on sale of fixed assets	(£4k)	 		Surplus excluding non-operational items	£2,455k	
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10.5	<p>The Director of Finance and Corporate Affairs went through the Report and Financial Statements and drew attention to the following:</p> <ul style="list-style-type: none"> <li>• Unadjusted/adjusted misstatements and the actions taken</li> <li>• The surplus as per the accounts and the surplus without non - operational items (the latter gives a significantly higher figure)</li> <li>• Draft letters of representation which required the approval of the Corporation</li> <li>• Summary of financial statements – this showed a reduction in income of 3% compared to the previous year. This was largely due to SFA and EFA cuts. There had been an increase in grant income for Daventry</li> <li>• Pay costs had increased due to increments, the agreed pay award and Teachers’ pension contributions. Pay costs were 65% of income</li> <li>• Depreciation was less because of the Daventry project</li> <li>• The actuarial loss for the LGPS had increased from £11.9 to £15.9 million due to changes in the accounting standard applicable. This had just been reviewed and the draft revaluation indicated a much lower deficit. Employer contributions may decrease as a result</li> <li>• The Balance Sheet showed a strong financial position. It was noted that deferred capital grants were now shown as a liability whereas previously these were part of Reserves.</li> <li>• The presentation and calculation of net assets had changed</li> <li>• Cashflow was strong</li> <li>• The short term loan facility for Daventry had not been needed.</li> </ul>																							
10.6	<p>The Corporation were of the view that the College’s financial performance was good for the FE sector. The Corporation asked about the Area Review context. It was noted that all colleges have to use the same accounting measure. The College had retained its outstanding judgement for its financial position.</p>																							
10.7	<p>The External Auditors were awaiting reconciliation from the EFA. This did not prevent the Corporation approving the Accounts and Financial statements.</p>																							

		<b><i>RESOLVED C[65/16 The Corporation resolved (a) To approve the Letter of Representation, Audit Findings and Financial Statements for the Year to 31 July 2016; (b) To delegate authority to the Chair of the Corporation to sign these documents as necessary.</i></b>	
<b>11</b>		<b>Management Accounts and Commentary for the period to 31 October 2016</b>	
	11.1	<p>The Director of Finance and Corporate Affairs presented his report. In summary the key points were:</p> <ul style="list-style-type: none"> <li>• The year end operating surplus was forecast to be 1.8% before LGPS Pension scheme adjustments</li> <li>• Operating income was £300,000 below budget, in part due to the changes in funding arrangements for 19+ students on level 3 courses</li> <li>• Total pay costs were slightly over budget. Excluding restructuring costs, pay costs represented 63% of the budget. Full time equivalent staff numbers were below budget</li> <li>• Non pay costs were slightly over budget but this was not unusual at this stage of the academic year</li> <li>• Current cash balances were 175 days in hand</li> <li>• Bank covenants were expected to be met at the year end.</li> </ul>	
	11.2	<p>There was flexibility within the budget and confidence that targets would be met. Where income had reduced on courses where students now needed to take out a loan, this had been compensated by the full cost courses as the range of provision expanded. There had been a reduction in the number of students doing Access courses. It was confirmed that loan income was staggered with the College doing monthly returns. If a student withdrew funding was stopped.</p> <p><b><i>RESOLVED C[66/16 The Corporation resolved to note the Management Accounts and Commentary to 31 October 2016.</i></b></p>	
<b>12</b>		<b>Student Recruitment and Enrolment (latest) 2016/17</b>	
	12.1	The Director of Finance and Corporate Affairs presented his report. All age recruitment was down compared to last year. The report gave a breakdown of increases and decreases for different subject areas. Recruitment for 16 -18 year olds was behind compared to last year. Some recruitment in year was expected with fresh start courses in January; these would be offered to student who had left early in the academic year.	
	12.2	Part time courses recruited throughout the year, so these figures were expected to increase. The adult loans and adult education budget were behind budget but the latter would build in year and funding could be moved to assist the position.	
	12.3	Apprenticeship funding was ahead by 19% compared to last year. Full time HE recruitment was behind budget but was compensated for by HNC recruitment.	
	12.4	<p>The Corporation asked about the risk to next year's funding. This was a concern. The College could manage at the moment. The position would not be known until RO4 was completed. Any shortfall would be known when the 2017/18 budget was set. Student recruitment was ongoing.</p> <p><b><i>RESOLVED C[67/16 The Corporation resolved to note the Management Accounts and Commentary to 31 October 2016.</i></b></p>	

13		<b>Governance Committee Minutes 11 October 2016</b>	
	13.1	<p>The minutes of the meeting of the Governance Committee held on 11 October 2016 had been circulated.</p> <p><b>RESOLVED C[68/16]</b></p> <p><b><i>The Corporation resolved to note the minutes of the Governance Committee meeting held on 11 October 2016.</i></b></p>	
14		<b>Audit Committee Report 1 December 2016</b>	
	14.1	<p>The Chair of the Audit Committee reported verbally as follows:</p> <ul style="list-style-type: none"> <li>• The main focus of the meeting was the Annual Accounts and Statements</li> <li>• No further action was felt to be needed on College loans at the current time (action from the Corporation)</li> <li>• The terms of reference had been reviewed and changed</li> <li>• The Committee had discussed the internal audit plan and in particular visits looking at quality – these would be considered further with the Executive Team and ICCA and agreed by the Committee via email</li> <li>• The Committee had received the Internal Audit report for 2015/16 and assurances given by ICCA</li> <li>• ICCA had reviewed risk management; the Committee had discussed recruitment and status of that risk</li> <li>• The External Audit had given a clean opinion, and the Committee recommends that Chair and Principal sign the appropriate statements</li> <li>• The Financial Statements were reviewed and are recommended to the Corporation</li> <li>• The Risk management report was reviewed, the Daventry risk would be revised</li> <li>• The Annual Audit Committee report had been agreed</li> <li>• The Committee had reviewed Board assurance mechanisms and JACOP requirements</li> <li>• The Committee had looked at the Governors Expenses Policy and recommended its adoption by the Corporation.</li> </ul> <p><b>RESOLVED C[69/16]</b></p> <p><b><i>The Corporation resolved</i></b></p> <ol style="list-style-type: none"> <li><b><i>1. to note the verbal report of the Audit Committee held on 1 December 2016</i></b></li> <li><b><i>2. To approve the revised Terms of Reference</i></b></li> <li><b><i>3. To approve the Governor Expenses Policy</i></b></li> </ol>	<b>Director Of Corporate and Financial Affairs</b>
15		<p><b>Quality of Teaching Learning and Assessment Committee Report – 6 December 2016</b></p> <p>Minutes 8.4 to 8.7 refer.</p> <p><b>RESOLVED C[70/16] <i>The Corporation resolved to note the verbal report of the Quality Teaching Learning and Assessment Committee held on 6 December 2016</i></b></p>	



<b>16</b>		<b>Revisions to Standing Orders</b>	
	16.1	The Clerk circulated the revised Standing Orders of the College following the amendments to the Instrument and Articles of Government. Legal advice had been taken and was reflected in the document.  <b>RESOLVED C[71/16] The Corporation resolved to approve and adopt the revised standing orders.</b>	
<b>17</b>		<b>Overseas visit</b>	
	17.1	Details of the proposed visit to Disneyland Paris for Health and Social Care students had been circulated with the agenda papers. 6 students would be involved. It was noted that some schools had cancelled trips to Paris following terrorist attacks. The Principal confirmed that staff and parental views had been sought on this matter and they were happy to proceed.	
	17.2	Details of the French exchange visit for 6 catering students were circulated. The Corporation asked that the arrangements be revised so that a member of staff stayed with the students whilst in France rather than just for the outward journey. It was noted that the students were all over 18.	
	17.3	A further trip to Disneyland Paris had been planned and this would be dealt with by written resolution.  <b>RESOLVED C[72/16] The Corporation resolved to approve</b> <b>1. The Health and Social Care visit to Disneyland Paris</b> <b>2. The French Exchange visit provided a member of staff remained with the student</b>	<b>Clerk</b>
<b>18</b>		<b>Date and Time of Next meeting</b>	
	18.1	The next meeting would be held on Tuesday 21 February 2017 at 6.00pm in the Board Room at Booth Lane.  The meeting finished at 8.50pm	

Part one of the meeting concluded

Signed by the Chair:	
Date:	