MEETING OF THE FULL CORPORATION

OF FAREHAM COLLEGE

21st March 2016

# M I N U T E S

 **Present:** Miss F Bojang

Mr K Briscoe

 Miss E Champion

 Mr S Christian

Mr N Duncan

 Mr P Grimwood

 Mr M Hoban

 Mrs J Lancaster

 Mr M Mansergh

 Mr A Ramsay

 Mr A Spires

 Dr C Thomas

 Mrs P Tilt

 Ms K Woods

 **In attendance:** Cllr G Hockley (Observer)

Mr S Dingsdale (AP/MD CEMAST)

Mrs J Eayrs (Clerk)

 Mr A Kaye (Deputy Principal)

 Mr P Marsh (Director Capital Projects)

 Mrs J Robinson (Head of Finance)

**01/16 Declaration of Interests**

 Members were reminded of the need to declare any personal or financial interest in any items of business to be considered during the meeting. There were no interests declared.

**02/16 Annual Election of Chairman of the Corporation**

Nomination papers had been distributed to all members of the Corporation in advance of the meeting. Mr Kew had been proposed, seconded and had agreed to stand as Chair. As there were no other nominations, the Corporation formally elected Mr Kew as Chair to serve from 1st April 2016 to 31st March 2017, in accordance with the Corporation’s Standing Orders.

**03/16 Annual Election of Vice-Chair of the Corporation**

Nomination papers had been distributed to all members of the Corporation in advance of the meeting. Mr Derek Hart had been proposed, seconded and had agreed to stand as Vice-Chair. As there were no other nominations, the Corporation formally elected Mr Hart as Vice-Chair to serve from 1st April 2016 to 31st March 2017, in accordance with the Corporation’s Standing Orders.

**04/16 Apologies for absence and welcome to new members**

Apologies for absence were received and accepted from Miss Ashworth, Mr Fielon, Mr Forster, Mr Hart, Mr Kew, Mr Magee and Mrs Hinton. In addition, Cllr Geoff Hockley was welcomed to the meeting as an observer and introductions around the table were undertaken by all members present.

In the absence of Mr Kew, the Chair, and Mr Hart the Vice-Chair, Mr Grimwood chaired the meeting.

**05/16 Minutes of the meeting held on the 9th December 2015**

The minutes of the meeting held on the 9th December 2015 were agreed as a true and accurate record and were signed by the Chair. There were no matters arising from them which were not covered elsewhere on the agenda.

**06/16 Confidential &Strictly Confidential minutes of the meeting held on 9th December 2015**

*There were no points of clarification, therefore, no members were required to withdraw from the meeting for consideration of the strictly confidential minutes.*

The confidential minutes and strictly confidential minute (for Governors who are not Staff and Student only) of the meeting held on the 9th December 2015 were agreed as a true and accurate record and were signed by the Chair. There were no matters arising from them which were not covered elsewhere on the agenda.

**07/16 Correspondence**

1. **SFA Letter dated 29th February 2016 on Fareham College Financial Statements (including financial dashboard)** – Members noted that the SFA had reviewed the College’s audit financial statements and finance record and had concluded that the appropriate revised financial assessment grade for 2014/2015 was ‘Good’ following a better than anticipated out-turn position;
2. **FBC letter dated 23rd February 2016 regarding Planning Application** – Members reviewed and noted the contents of the Planning Application and acknowledged the potential future recruitment from additional homes due to be built at the end of Bishopsfield Road in Wellbourne and in Whitely.

**08/16 Governor Engagement**

 Members present provided feedback on development sessions and cross-College events they had attended during the Spring Term. In particular, members acknowledged the recent Hair and Beauty Showcase and extended their congratulations to the staff and students involved in such a fabulous event.

**09/16 Principal’s Spring Term Report**

Members of the Board received the Principal’s Spring Term Report which was confidential to members of the Board and which highlighted the progress which had been made in taking forward the College Strategic Priorities and Quality Improvement Plan for 2015/2016.

The Principal referred members to his Termly Report and drew members’ attention to the following:

* **2015/2016 Student Attendance** – Governors noted that it was currently 87.4% against a whole year attendance target of 90%;
* **2015/2016 English and Maths Attendance** – Members noted that the attendance rate for both had improved since the last Principal’s Report and was now at 80.2% and 77.4% respectively;
* **2015/2016 Retention Rate** – Members noted a College classroom based student retention rate of 94.5% compared to a College target of 94.5%;
* **Apprenticeship Retention Rate** – Members noted a timely success rate target of 79% (740 apprentices). The Principal confirmed that constant monitoring of the retention rate in this area would need to take place to ensure this target was met;
* **Forecast classroom based success rate 2015/2016** – Members reviewed and noted the forecast classroom based success rates for 2015/2016;
* **Solent Leadership Academy** – Members noted that the SLA had been launched the previous month. The Principal explained that this was a two year initiative designed to increase the proportion of local managers with a Level 4/5 Leadership and Management qualification;
* **Apprenticeships and Traineeships** – The Principal reported good progress towards target for apprenticeships (1000) and traineeships (45 in 2015);
* **Higher Education** – The Principal reported that Higher Education numbers were positive and remained a focus for growth (currently 244 students);
* **Apprenticeship reforms** – Members noted that there were significant challenges ahead with the apprenticeships reforms and the changes in funding methodologies associated with apprenticeship provision. Members acknowledged that the Deputy Principal was due to provide a presentation on this later in the meeting;
* **Funding** – The Principal reported that in-year funding growth for apprenticeships had been harder to secure than anticipated;
* **English and Mathematics** – Members noted that in-year progress against the English and Maths Strategy had been substantial. Attendance in both subjects had improved both from last year and in-year but was still tracking 7%-10% lower than core programmes;
* **Teaching and Learning** – Members were advised that the number of poor performing teachers was far fewer and that underperformance was being identified more quickly and tackled more rigorously. The Principal confirmed that there needed to be a specific strategy to improve the proportion of very high performing lessons to raise standards from good to outstanding;
* **4 X 4 Reports** – Members reviewed and noted the successes and challenges outlined in the 4 x 4 report;
* **Application rates for full-time courses 2016/2017** – Members noted that full-time applications for 2016/2017 were tracking well against last year’s application profile and were currently 12.8% up against the previous year’s net applications (an increase of 112);
* **Key issues in the FE Sector** – The Principal provided an update on the following key issues currently facing the FE sector which related to:
- **Area Based Review** – a presentation was due to be provided later in the meeting;
- **Budget** announced on the 16th March 2016 with further efficiencies expected;
- **Funding allocations** for 2016/2017 had not yet been received;
- **Pension** de-grouping, the costs of which were not yet known;
- **College Financial Reporting** and the updated version of the Casterbridge College accounts taking into account FRS102 and the new SORP).

Governors discussed and sought clarification on the following issues:

1. **English and Maths** – Governors acknowledged that this was clearly a sector wide challenge and questioned whether there was any benefit in sharing strategies with other FE colleges. The Principal responded by saying that the issue was more acute in GFEs as lower level students tended to be attracted. He went on to say that there were a disproportionate high number at Fareham College with a large proportion having to undertake re-sits. He outlined the support mechanisms that had been established and confirmed that the schools were being very supportive. Members acknowledged that there was no ‘quick fix’ and a further challenge was presented with so many youngsters being totally disengaged by English and Maths. The view of the Student Governor was sought on the perceptions of other students and she confirmed that many students felt that English and Maths was not worth doing;
2. **Inspection readiness** – The Principal provided an update on the arrangements in place to ensure the College was inspection ready;
3. **Work Experience** – Members sought clarification on the areas of work experience being developed;
4. **Numerical KPIs** – Governors sought clarification on whether the numerical KPIs were compared against other colleges. The Principal outlined the indicators which were measured against the national benchmark;
5. **Pension De-group** – Members sought clarification on the nature of the exposure connected to the pension de-grouping. The Principal confirmed that the College was currently waiting for the actuaries to do an assessment before this was known.

**Members of the Board reviewed and noted the contents of the Principal’s Spring Term Report.**

**10/16 Review of Progress against Strategic Priorities 2015/2016**

Members of the Board received a paper which provided a progress review of the Strategic Priorities for 2015/2016. The Principal spoke to the paper and referred members to the objectives which had changed ‘rating’ since the previous progress update and which related to:

* Achievement of minimum contract for ASB;
* Commercial trading income;
* Annual operating surplus of 2% of turnover;
* Staff costs to turnover ratio not to exceed 60% - members noted that this was currently 62% as a result of the reduced income due to the declined income growth request;
* Student satisfaction;
* Declining 14-16 market;
* Improve timely success rates on apprenticeship programme;
* Simpler and more functional schemes of work in relation to the effective reference of the development of English and Maths.

**Members reviewed and noted the progress of the Strategic Objectives 2015/2016 achieved to date.**

**11/16 Changes in Apprenticeship Policy**

 Members received a comprehensive presentation from the Deputy Principal on Changes in Apprenticeship Policy. The slides used are an **Appendix** to these minutes.

**12/16 Facts and Figures ‘Pocket Brief’**

 Members of the Board received the Facts and Figures ‘Pocket Brief’ which provided updated key performance data for the Spring Term 2016 which was reviewed and noted.

**13/16 Bishopsfield Campus Redevelopment Programme Update**

 Members of the Board received a confidential paper on the Bishopsfield Campus Redevelopment Programme Update. Due to the confidential nature of the contents of the paper and the related discussions, this item is recorded as a separate confidential minute for Governors only.

**14/16 Management Accounts at 29th February 2016**

Members of the Board received a confidential paper on the Management Accounts for February 2016

Members reviewed the contents of the paper and noted the following:

* At the half-year point, the Management Accounts reported an operating deficit of £96k (compared to the previous year surplus of £77k);
* EFA income was less than last year but this reduction had been planned in the budget;
* The SFA Adult income was reported as lower than budget by £103k due to lower than anticipated learner numbers (£72k) and assumed growth not being approved by the SFA (£36k);
* The SFA 16-18 Apprentice income was higher than last year but was under achieving against budget by £360k year-to-date. This was because the budget assumed growth of £720k for the year, and the SFA had not approved the first growth request due to an issue with the College’s registration on the register of training organisations (ROTO). Members were advised that the next point for a growth request was 1st April 2016 and it was anticipated that this would be, at least, partly agreed. There was a discussion about whether to continue to recruit and the risks associated with this. Members referred to Appendix 1b to the paper which outlined the worst case scenario if the apprenticeship growth was not secured (operational deficit of £276k) and the likely scenario if the request for an additional £800k was approved (surplus £505k). The Chair sought clarification on the lessons learnt regarding the ROTO registration and the Principal provided an overview of the events which had affected the situation. He advised members that this area was now being managed and monitored by the Deputy Principal;
* Additional income of £135k from the Solent Leadership Academy, which was not in the original budget, was noted;
* Bank Covenants – members noted that all were compliant;
* Staff to income ratio year-to-date of 57.5% compared to budget of 58.4%;
* Actual cash - £1.46m per cash flow statement (excl. CEMAST) compared to £2.09m in the previous year;
* Balance sheet (reconciled cash excl. CEMAST) - £1.5m (43 cash days);
* Trading Accounts – Members noted an increase turnover of 7% compared to the previous year, although it was acknowledged that further development was required in this area. Overall, members acknowledged that it was costing the College £1500 a year to run the trading businesses;
* YTD staffing costs were £79k below budget and £77k higher than the same period in the previous year;
* Total non-pay costs were £186k less than budget mainly due to underspends on subcontracting costs (i.e. the additional growth request issue) and £176k less than the previous year mainly due to savings on campus running costs and maintenance.

 **Members of the Committee reviewed the contents of the paper and the related appendices in detail and noted the current position**.

**15/16 Budgetary Considerations for 2016/2017**

Members of the Board received a confidential paper on The Budgetary Considerations for 2016/2017. Due to the confidential nature of the contents of the paper and the related discussions, this item is recorded as a separate confidential minute for Governors only.

**16/16 HR Strategy Update**

 Members of the Board received the HR Strategy Update: Position Statement. The Principal spoke to the paper and drew the following to members’ attention:

* **Solent Area Based Review** **(ABR)** **–** The current ABR process opened up significant opportunities and challenges. Members were aware that there were currently a number of proposed collaborative projects with Eastleigh College which were being explored;
* **‘Politics of Grievance’** – Members noted that there had been an increase in the complexity of staff cases with continuous changes in employment legislation and potential direct impact of EU ‘rulings’ on the sector;
* **The EU question** – the need to consider what the impact to the institution might be;
* **The millennial generation** (individuals born between 1982 and 2004) – Members were advised that this generation was forecast to be the largest in history and had grown up in a time of rapid change. As a result, this had given them a set of priorities and expectations significantly different from previous generations;
* **Ageing Working Population** – The fact that society’s response to an ageing workforce was to delay the retirement age of workers;
* **Promoting a management culture which is both supportive and transparent** –Members noted that development of the ‘softer skills’ of managers had taken place along with personality profiling. Members were advised that the recent annual staff survey had indicated that the staff were increasingly happy with the management style.
* **Shortage of workers with advanced skills** – This was cited as the biggest challenge for HR professionals. Members were advised that an HR database had recently been purchased which would help target specific roles and that this situation would only worsen going forward;
* **Costs of recruiting** – It was noted that ‘head hunting’ to key posts was increasingly popular. It was important for the College to focus more on the retention of talented people and develop strategies for ‘growing our own’;
* **Impact of Social Media on reputation and recruitment** – Members were advised that future retention issues were forecast as ‘job hopping’ increased. The fact that social media/technology had enabled people to easily find new jobs and for ‘recruiters’ to ‘steal’ talent from the organisation. The staff survey outcomes had illustrated that staff did not think the College had a good reputation with the survey results for this area being in the bottom 17% of all results;
* **Other Staff Survey Results: potential areas for development**:
- communication at department level;
- more welfare considerations which lead to the College being considered as a good place to work;
- Listening to staff and involving them in planning improvements and setting targets;
- Perceived lack of job security, although generally staff felt the College had a bright future.

Governors acknowledged that the ABR would also generate uncertainty amongst staff and members agreed it was essential that staff were listened to and involved in the change process.

 **Members of the Board formally endorsed the HR Strategy Update.**

**17/16 IT Strategy**

 Members of the Board received a confidential paper on the 2016-2017 IT Strategy Update: Position Statement. Due to the confidential nature of the contents of the paper and related discussions, this item is recorded as a separate confidential minute for Governors only.

**18/16 Annual Review of Fees Policy 2016-2018**

 Members of the Board received the Fees Policy for 2016-2018. Members were reminded that the purpose of the Policy was to provide a framework within which the College’s fee setting and fee refund processes were devised and operated. In addition, the policy also set a framework for ensuring that comprehensive guidance and information regarding fees was available and accessible to (prospective) learners, staff and Governors.

 **Members of the Board reviewed and formally approved the Tuition Fees Policy 2016-2018.**

**19/16 Contract for the External Audit Service Providers 2016/2017**

 Members of the Board received a paper on the Contract for External Audit Services. Members were reminded that the current External Audit contract with Grant Thornton had been awarded in June 2010 following a tender exercise. Members of the Board were advised that the Audit Committee had reviewed the performance of the External Auditors at their meeting on the 16th March 2016 and that no key issues of concern had been raised.

 **Members of the Board accepted the recommendation of the Audit Committee and formally approved the re-appointment of Grant Thornton as the Financial Statements Audit Provider for a further financial year to run from 1st August 2016 to 31st July 2017.**

**20/16 General Report of the Search Committee**

 Members of the Board received the General Report of the Search Committee and considered and formally approved the recommendations enshrined within it as follows:

1. The appointment of Mr Tony Rudd as a Co-opted Governor on to the Audit Committee;
2. The appointment of Mr Adam Spires to serve for a 3 year term of office from 1st January 2016 to the 31st December 2018;
3. The Membership of Corporation Committees which had been provided as Appendix A to the paper;
4. The memberships due to come under review during the 2016/2017 academic year were reviewed and noted and the related actions as part of the normal committee cycle of business were agreed.

**21/16 Preparations for Governor/Board Self-Assessment 2015/2016**

 Members of the Board received a paper on the Preparations for the Governance/Board Self-Assessment 2015/2016. Members reviewed the contents of the paper, considered the proposals and agreed the action in preparation for it as outlined in the paper.

**Members of the Board formally agreed the arrangements for the Self-Assessment session for 2015/2016 and the action to be taken in preparation for it as outlined in the paper.**

**22/16 Area Review Update**

 Members of the Board received a presentation from the Principal and a number of confidential documents. Due to the confidential nature of the contents of the documents and the related discussions, this is recorded as a separate confidential minute for Governors only.

**23/16 6-9 Month Review Report: Deputy Principal**

*Staff and Student Governors and Executive Officers withdrew for this item*

 Members of the Board received the 6-9 Month Review Report for the Deputy Principal. Due to the strictly confidential nature of the contents of the report and the related discussions, this item is recorded as a separate strictly confidential minute for Governors who are not Staff and Student only.

**24/16 Performance Review of the Clerk 2014/2015**

 Members of the Board received the Performance Review Report of the Clerk for 2014/2015.

Members were aware that the report had been considered and discussed by the F&R Committee at its meeting in March 2016 and members had agreed that the report was an excellent representation of the last year’s performance. In addition, members noted that no issues of concern had been raised.

 **Members reviewed and noted the contents of the Performance Review 2014/2015 for the Clerk.**

**25/16 Performance Review of the Principal 2014/2015**

 Members of the Committee received the Performance Review 2014/2015 for the Principal. Members discussed the report and agreed that it was a fair and accurate representation of the achievements secured through what had been another very turbulent but ultimately successful year. Members acknowledged that the ABR process would influence the strategic direction of the College going forward. The impact of the additional burden this would place on the Principal, in particular, as the process and any arising recommendations progressed were considered and discussed.

 **Members reviewed, noted and endorsed the contents of the Performance Review 2014/2015 for the Principal.**

**26/16 Termly Reports of Corporation Committees**

 Members of the Board received (electronically) termly reports from the following Corporation Committees:

* Teaching, Students, Curriculum and Quality Committee;
* Finance and Resources Committee;
* Audit Committee;
* Marketing Working Group minutes from 1st February 2016 meeting;
* Minutes of the Wellbeing Committee meeting held on the 2nd March 2016.

**Members reviewed and noted the contents of the reports, minutes and the issues which had been discussed at committee meetings during the term.**

**27/16 Student and Staff Liaison Committee Minutes**

 Members of the Board received (electronically) the minutes of the following meetings for information:

* Staff Liaison Committee (BRC) meeting which had taken place on the 20th January 2016;
* SLC (CEMAST) meeting which had taken place on 21st January 2016;
* Student Board minutes from the meeting which had taken place on the 15th January 2016;
* Student Board minutes from the meeting which had taken place on the 11th March 2016.

**Members reviewed and noted the contents of the minutes and the issues which had been discussed at these meetings during the term.**

**28/16 Date of next meeting**

 In accordance with the approved Corporation Calendar 2015/2016, members noted that the next meeting of the Board was scheduled to take place on **Wednesday 29th June 2016 at 4.30pm.**