MEETING OF THE FULL CORPORATION

OF FAREHAM COLLEGE

28th March 2018

# M I N U T E S

 **Present:** Ms K Allen

Mr K Briscoe

 Miss E Champion

 Mr N Duncan

 Mrs B Farrer-Williams

 Miss Z Healey

 Mr M Hoban

 Mr R Kew (Chair)

 Mr M Mansergh

 Mr A Ramsay

 Miss J Ross-Barton

 Mr C Seaton

 Mr A Spires

 Dr C Thomas

 Mrs P Tilt

 Ms K Woods

 **In attendance:** Mrs E Baxter (Director of Finance & Funding)

Mr S Dingsdale (AP/MD CEMAST)

Mrs J Eayrs (Clerk)

 Mrs A Hinton (Executive Director HR)

 Mr D Hughes (CEO AoC)

 Mr A Kaye (Deputy Principal)

**01/18 Address by David Hughes, Chief Executive of AoC**

*Zena Healey arrived during this item (17.14hrs)*

 Members of the Board received an open address by David Hughes, Chief Executive of AoC, on the FE landscape and sector challenges. The slides used by David Hughes are attached as an **Appendix** to these minutes.

Members of the Board took the opportunity to explore and discuss the following issues with David:

* The significant number of Government initiatives in the FE sector – Members acknowledged that, if FE colleges were funded properly, they could initiate many of these projects and invest in capital themselves from their own pocket which is what Universities did;
* The optimum size to be in order to be a viable organisation – David Hughes expressed the view that there were two dimensions to viability which were great leadership and Governance and serendipity! He stated that size didn’t matter per se, the issue being that Hampshire had too many colleges which made it look ‘out of step’ compared to other parts of the country;
* The reduction in funding and increasing overheads leading colleges to consider the ‘going concern’ issue and potentially forcing them to merge with another organisation irrespective of whether the culture was right. David Hughes stated that some mergers had been pushed through and had felt like ‘shot gun marriages’ and if there was no synergy between the organisations there were only a small amount of savings to be made. He went on to say that curriculum overlap was essential and organisations needed to consider the moral risk related to jeopardising what each individual college had built up and the risk to the community;
* The introduction of the Apprenticeship Levy and the fact that it had significantly sabotaged apprenticeship recruitment. Members queried whether the Government would consider changing its view on the levy. David Hughes stated that the Government’s view was that it was too early to make a judgement and it appeared that numbers were starting to ‘bounce back’. Members expressed the view that the Government needed to understand the challenges being faced by colleges and the resultant consequences.

Thanks were extended to David Hughes for his presentation and contribution and for taking the time to spend the afternoon at the College, having a tour of the facilities and speaking to curriculum managers about the issues facing the FE sector.

**02/18 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.

**03/18 Annual Election of Chairman of the Corporation**

Nomination papers had been distributed to all members of the Corporation in advance of the meeting. Mr Russell Kew had been proposed, seconded and had agreed to stand as Chair. As there were no other nominations, the Corporation formally elected Mr Russell Kew as Chair to serve from 1st April 2017 to 31st March 2018, in accordance with the Corporation’s Standing Orders.

**04/18 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 Peter Grimwood had been proposed, seconded and had agreed to stand as Vice-Chair. As there were no other nominations, the Corporation formally elected Mr Grimwood as Vice-Chair to serve from 1st April 2017 to 31st March 2018, in accordance with the Corporation’s Standing Orders.

**05/18 Apologies for absence and welcome to new members**

Apologies for absence were received and accepted from Mr Grimwood and Mr Marchbank. In addition, the Chair welcomed Mr Hughes, Chief Executive AoC, to the meeting.

**06/18 Minutes of the meeting held on the 13th December 2017**

The minutes of the meeting held on the 13th December 2017 were agreed as a true and accurate record and were signed by the Chair. There were no matters arising which were not covered elsewhere on the agenda.

**07/18 Strictly Confidential minutes of the meeting held on 13th December 2017**

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

The strictly confidential minutes (for Governors who are not Staff and Student only) of the meeting held on the 13th December 2017 were agreed as a true and accurate record and were signed by the Chair. There were no matters arising from them.

**08/18 Confidential minutes of the meeting held on the 7th February 2018**

 The confidential minutes of the meeting held on the 7th February 2018 were agreed as a true and accurate record and were signed by the Chair. There were no matters arising from them.

**09/18 Strictly confidential minutes of the meeting held on the 7th February 2018**

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

The strictly confidential minutes (for Governors who are not Staff and Student only) of the meeting held on the 7th February 2018 were agreed as a true and accurate record and were signed by the Chair. There were no matters arising from them.

**10/18 Correspondence**

1. **Letter from ESFA dated 14th March 2018 on Fareham College Financial Statements (including financial dashboard)** – Members noted that the SFA had reviewed the College’s audited financial statements and finance record and had confirmed the College’s financial health grade for 2016/2017 as ‘Satisfactory’. Members also reviewed and noted the financial dashboard provided which incorporated various key performance indicators measured against both target benchmarks and benchmarks achieved in the sector;
2. **Email dated 24th March 2018 from Steve Carter** – The Principal advised members that an email had been received from Steve Carter, previously a member of the Board, to congratulate the Principal, his team and the Board for the TES College of the Year Award 2018.

**11/18 Governor Engagement**

 Members present provided feedback on development sessions and Cross-College events and activities they had attended during the Spring Term.

**12/18 Strategic Options Review Update**

 Members of the Board received a confidential paper which provided an update on the Strategic Options Review – March 2018. 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.

**13/18 Principal’s Spring Term Report 2018**

Members of the Board received the Principal’s Spring Term Report which was confidential to Governors and which summarised the key issues and developments in the work of the College during the Spring Term 2018.

The Principal spoke to the paper and drew members’ attention to the following:

* **Learner Numbers** – Learner numbers were holding close to the previous academic year at 3241 (compared to 3230). However, in-year adult part-time and apprenticeship recruitment remained challenging. The Principal confirmed that the SMT were working to address the slowing down in these areas with additional effort being put into Adult Learner Loans;
* **Retention (Classroom)** – Retention was noted at 93.9% which was 1.1% below the College target of 95%. Members noted the reasons for leaving as follows:
- Four consecutive weeks of non-attendance (33 students);
- Obtained work (23 students);
- Asked to leave College (19 students);
* **Retention (Apprenticeships)** – Apprenticeship retention at 76.5% remained a concern but had not deteriorated significantly since the December 2017 report (77%). Members noted that retention strategies were being implemented for all groups of learners and retention would remain a focus for the remainder of the year to mitigate the risk of further decline;
* **Attendance (All)** – Attendance overall remained a concern at 88.5%. Members reviewed details of the departments whose attendance presented significant challenge:
- Maths;
- English;
- CPD;
- Traineeships;
* **2017/2018 Budget** – Members noted a forecast deficit of circa £500k. It was noted that this would be reviewed in detail later in the meeting;
* **2018/2019 Full**-**time Applications** – Applications for 2018/2019 were tracking relatively strongly being only 5 behind the equivalent time the previous year. Members noted net applications of 1004 against a target of 1660 (-656). The Principal reported that work on internal progression was underway to support those students already at the College. Members noted a target of 650 for internal progression continuers;
* **Risk Register** – Risk had deteriorated due to the financial pressures on the College. Members noted a residual risk rating of 6.67 (low) compared to 5.58 previously reported. The Risk Management Group had agreed a Risk Appetite Statement which was provided at Appendix 1 to the report for the Corporation to formally endorse;
* **Human Resources** – Members noted:
- Although improving, staff turnover remained a challenge at 20%;
- Sick days lost remained static at 57 days;
- Payroll costs were being carefully managed;
- Staff to income ratio was currently 61%;
- Academic staff utilisation was relatively high at 97%;
* **Strategic Priorities and Quality Improvement** – Reviewed under a separate agenda item;
* **Curriculum Initiatives**:
(i) **International** – The Principal would be visiting three colleges in China over Easter;
(ii) **CETC** – continued to develop and the second cohort was making good progress;
(iii) **Institute of Technology** – Membership of the Farnborough IoT had been confirmed
(iv) **Strategic College Improvement Fund** (SCIF) – The SCIF bid had been unsuccessful
* **Successes** – Members were delighted that the College had won the 2018 Times Educational Supplement (TES) FE College of the Year Award 2018;
* **Key challenges for the remainder of the year:
-** Poor recruitment of apprentices and allied funding;
- Managing and reducing expenditure wherever possible;
- Grant and levy administration;
- Maintaining quality across all areas in a landscape of reducing funding;
- GDPR.

**Members of the Board reviewed and noted the contents of the Principal’s Spring Term Report and formally endorsed the Risk Appetite Statement provided at Appendix 1 to the Report.**

**14/18 Review of Progress against Strategic Priorities 2017/2018**

Members of the Board received a paper which provided a progress review of the Strategic Priorities for 2017/2018. The Principal spoke to the paper and highlighted the fact that there were 60 actions in total which had progressed as follows:

* 50% completed;
* 38% substantive progress or KPI is ‘Good’;
* 12% limited progress or KPI ‘Requires improvement’.

He referred members to the objectives which had deteriorated since the previous progress update and which related to:

* Stable finances: Annual operating surplus of 2% of turnover;
* To further narrow the achievement gap of ‘Children Looked After’ and those eligible for free school meals;
* Improved qualification success rates;
* Improve timely success rates on apprenticeship programmes;

**Members reviewed and noted the progress of the Strategic Objectives 2017/2018 achieved to date.**

**15/18 Curriculum and Quality Update – Spring Term 2018**

 Members of the Board received a paper which provided a Curriculum and Quality Update and which summarised the current progress of key areas. The Deputy Principal spoke to the paper and drew the following to members’ attention:

* **Data monitoring** – Data was monitored by the TSC&Q Committee of the Corporation;
* **Work Experience** – 80%-85% of students would complete work experience;
* **Apprenticeship recruitment** – The Deputy Principal outlined the apprenticeship recruitment profile and the numbers due to commence at the College;
* **TEF Year 3** – Members were advised that the TEF Year 3 had now been written and submitted. The Deputy Principal stated that the College hoped to be awarded a “TEF Bronze Award” the outcomes of which would be known in June 2018;
* **HEFCE/OfS** – Members noted that HEFCE ceased to exist at the beginning of April and would be replaced by the Office for Students from the 3rd April 2018. The OfS would be the Government-approved regulatory and competition authority for the Higher Education Sector in England.

 **Members of the Board reviewed and noted the contents of the Curriculum and Quality Update.**

**16/18 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 2018 which was reviewed and noted.

**17/18 Employer Engagement Strategy 2018-2020**

Members of the Board received the Employer Engagement Strategy 2018-2020 which had been reviewed in detail and recommended by the Teaching, Students, Curriculum and Quality Committee. The Deputy Principal spoke to the paper and advised members that the College aimed to provide education and training which met the needs of employers and addressed employment skills gaps across the Solent LEP area and beyond. He went on to say that it was intended that the Strategy would support the continuous development and improvement of an education system that supported the vision of the Solent LEP and the unitary authorities of Portsmouth, Southampton and the local authorities of Fareham and Gosport to ensure that the region’s young people and adults could access high quality education to meet their needs and enable appropriate progression.

**Members of the Board accepted the recommendation of the TSC&Q Committee and formally approved the Employer Engagement Strategy 2018-2020.**

**18/18 Advanced Level Strategy (Technical Baccalaureate)**

Members of the Board received the Advanced Level Strategy (Technical Baccalaureate) 2018/2019 which had been reviewed in detail and recommended by the Teaching, Students, Curriculum and Quality Committee. The Deputy Principal spoke to the paper and advised members of the Board that the re-integration of STEM A-Level subjects had been designed to add breadth to the career and higher study choices of prospective students and to ensure the College remained a key stakeholder in the development of a highly qualified academic and professional local and national workforce. It was acknowledged that this re-introduction would not dilute the current curriculum offer but would replace some poor performing courses in terms of recruitment and progression.

**Members of the Board formally accepted the recommendation of the TSC&Q Committee and formally approved the Advanced Level Strategy (Technical Baccalaureate) 2018/2019.**

**19/18 Management Accounts at 28th February 2018**

Members of the Board received a confidential paper on the Management Accounts for February 2018. 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.

**20/18 Outline Budget Strategy for 2018/2019 and 2019/2020**

Members of the Board received a confidential paper on the Outline Budget Strategy for 2018/2019 and 2019/2020. 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.

*Miss Ross-Barton left the meeting during this item (18.36hrs)*

**21/18 IT Strategy Update – February 2018**

Members of the Board received a paper on the IT Strategy Update: February 2018. Members reviewed the paper which provided the Board with an update on the three different priorities which had been split for each year of the Strategy, namely:

* **Year 1. Stabilisation** – Members reviewed and noted the Year One strategy goals which had been achieved and which included:
- Team restructure;
- Software upgrades;
- System infrastructure analysis;
- Re-alignment of multi-site infrastructure and the DRP being redesigned;
- Computer replacement.
* **Year 2**: **Standardisation** – Members noted the Year Two Strategy goals which included:
- Replacement of College printing solution
- Data and security compliance;
- Wireless upgrade;
- Disaster recover redesign;
- Computer replacement.
* **Year 3**: **Growth and Advancement** – Members noted the Year Three Strategy goals which included:
- Update 50% of server operating systems;
- Replacement of College audio/visual equipment;
- Software upgrades;
- Computer replacements;
- Security enhancements.

Members were reminded that, in addition to the projects detailed in the IT Strategy, there would also be a requirement to allocate time to the new CETC build.

  **Members of the Board reviewed and noted the IT Strategy Update and the progress achieved to date.**

**22/18 Annual Review of 2018-2020 Fees Policy and Guidance**

 Members of the Board received the Fees Policy and Guidance for 2018-2020. 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.

 The Director Finance and Funding spoke to the paper and drew members’ attention to the two areas which had been updated which included:

* Page 5: Adult Learner Loans;
* Page 8: Apprenticeship programme – updated to reflect the new levy scheme.

 **Members of the Board reviewed and formally approved the Fees Policy and Guidance 2018-2020.**

**23/18 Arrangements for the Tendering of the External and Regularity Audit Service 2018**

Members of the Board received a paper which outlined the Arrangements for the Tendering for External and Regularity Audit Service - 2018. Members reviewed the contents of the paper which outlined the proposed arrangements for the tendering process and the timescales involved. The Chair of the Audit Committee spoke to the paper and advised members that the current External Auditor, Grant Thornton, had notified the College that it was their intention to double the fees charged for the external audit service and, as a result, the Committee had agreed to recommend that the College go out to tender for these services.

**Members of the Board formally approved the tendering process and related arrangements for the re-tendering of the External and Regularity Audit Service as outlined in the paper and as recommended by the Audit Committee.**

**24/18 Preparations for Governor/Board Self-Assessment 2017/2018**

 Members of the Board received a paper on the Preparations for the Governance/Board Self-Assessment 2017/2018. 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 2017/2018 and the action to be taken in preparation for it as outlined in the paper.**

**25/18 Notification of Chairman’s Action**

Members of the Board had received copies of correspondence between the Principal and Chair regarding Chair’s Action and a request to bypass the College’s Financial Regulations to support the College to engage the professional expertise required to complete an urgent aspect of the CETC Capital build programme. The Principal outlined the position for members and advised members that it had only recently become apparent that the College would need to vacate the temporary CETC site currently being occupied whilst waiting for the permanent site to be vacated by the existing tenant. As a result, this meant that, in order to secure a destination plot for CETC and fulfil the requirements of the LEP grant, the College would need to significantly speed up the purchase of the land and application for planning permission. The Principal outlined the proposal which had been received from Peter Marsh Consulting Ltd for the project management of the whole CETC 2 build which exceeded the threshold for management authorisation at £114k, and, in accordance with the Financial Regulations, required Corporation approval. At that stage, the next full Board meeting was not for some time which would result in a significant delay in the process which could jeopardise the entire project going forward. Given the exceptionally tight time deadlines associated with the LEP funding and the financial necessity to meet the stakeholders’ needs, the Chair authorised the bypass of the Financial Regulations to appoint Peter Marsh Consulting for the project management of the whole CETC 2 build up to the value of £114k. This action was endorsed by the F&R Committee and formal ratification was sought from the Board.

**Members of the Board formally ratified the Chair’s Action as outlined above.**

**26/18 Performance Review of the Deputy Principal 2016/2017**

*Staff and Student Governors and Executive Officers withdrew from the meeting at this point.*

 Members of the Board received the 2016/2017 Performance Review 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.

**27/18 Senior Postholder Correspondence**

 Members of the Board received an item of strictly confidential correspondence from the Executive Director HR to the Chair of the Corporation. 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.

**28/18 Termly Reports of Corporation Committees**

 The following termly reports from the Corporation Committees had been electronically circulated to Members of the Board:

* Teaching, Students, Curriculum and Quality Committee;
* Finance and Resources Committee;
* Audit Committee;
* Marketing Working Group minutes from 2nd February 2018 and 7th March 2018 meetings;
* Minutes of the Wellbeing Committee meeting held on the 12th March 2018.

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

**29/18 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 31st January 2018;
* SLC (CEMAST) meeting which had taken place on the 1st February 2018;
* Student Board minutes from the meeting which had taken place on the 7th February 2018.

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

**30/18 Date of next meeting**

 In accordance with the approved Corporation Calendar 2017/2018, members noted that the next meeting of the Board was scheduled to take place on **Wednesday 27th June 2018 at 4.30pm.**