

Kirklees College Corporation

Minutes of the meeting of the Corporation Board held on Friday 13 July 2018 at 3pm at the Huddersfield centre

Present:	Ms C George	Independent member
	Prof S Donnelly	Independent member
	Mr G Hetherington	Independent member (Chair)
	Ms E Hainsworth	Independent member
	Mr H Linn	Independent member
	Ms L Precious	Staff member
	Mr J Royle	Independent member
	Prof J Thompson	Independent member
	Mr M Varyani	Independent member
	Dr A Williams	Independent member
	Mr J Williams	Independent member (Vice Chair)
	Ms M Gilluley	Principal and Chief Executive

Apologies:	Mr P Berthaut	Student member
	Dr A Conn	Independent member
	Ms I St Hilaire	Student member
	Mr D Keeton	Independent member
	Mr N Taylor	Staff member
	Ms S Weston	Independent member

Attendance: 12/18 = 67% [KPI 80%]

Quorum: 12/20 = 60% [Minimum 40% required = 8]

In attendance:	Mr D Winward	Clerk to the Corporation
	Ms M Brooke	Deputy Principal
	Ms C Gonzalez-Eslava	Vice Principal
	Mr A Riley	Director of MIS, IT and Risk
	Ms H Rose	Director of External Relations
	Mr C Tupling	Assistant Principal
	Mr C Howarth	ESFA

Apologies:	Mrs R Meara	Director of Finance
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The Chair welcomed new member Professor Stephen Donnelly to his first meeting of the Board and Mr Clive Howarth ESFA, as an observer.

93. Apologies for absence

Apologies for absence were received as listed above.

94. Declarations of Interest

Mr Hetherington repeated his declaration of interest regarding the sale of the Holmfirth centre.

95. Minutes of the previous meeting

(a) The minutes of the meeting of the Corporation Board held on 18 May 2018 were agreed as a correct record, subject to an amendment to minute 83 (replace £250k with £250).

(b) Matters arising not elsewhere on the agenda

Minute 78. A member sought confirmation that the revised Area Review recommendation had been approved by the Steering Group. Mr Howarth clarified that the change had been agreed between the ESFA and the Chair of the Steering Group. Whilst members of that group had been notified of the change, no further approval was required.

(c) Update on agreed actions

There were no outstanding actions.

96. Principal's Report and Business Critical Performance Indicators

The Principal presented a comprehensive report of her recent activity including external developments, College priorities and her personal focus.

She highlighted that the College's Restructuring Fund application had been successful at the Funding Committee stage and had been positively received by the External Advisory Panel (EAP) earlier in the week. The EAP had made some helpful suggestions regarding the need to obtain clarity and firm assurance on the proposed completion of the Council's works at Pioneer House. The next stage of the application would be for Ministerial and Treasury approval.

Members welcomed this encouraging progress and wished to record thanks to all staff who had been involved in developing the application, and also to ESFA and Transaction Unit colleagues for their support thus far.

The Principal also presented an update of performance against each of the Business Critical Performance Indicators (BCPIs) identified by Governors for review by the Corporation, including the Red, Amber, Green (RAG) status of each. Some aspects were reported in detail elsewhere within the meeting and to Corporation committees.

She highlighted:

- the very positive picture overall and clarified that the correct figure for overall student attendance was 84.76%;
- the much improved position on the Adult Education Budget which was now above profile;
- that 16 to 18 numbers, whilst below target, were significantly ahead of the funding allocation;
- that overall attendance at College promotional events was up by 10% on the previous year.

In discussion, members:

- questioned the Full Cost performance, noting that enrolments were reported as ahead of target, but income was below. The Principal responded that this had been identified as an area for development. The College needed to place greater focus on its commercial activity;
- welcomed the inclusion of the Principal's presentation to management which represented a very good distillation of progress made through the year.

RESOLVED: to receive the report.

97. FE Commissioner's (FEC) Recommendations

The Principal presented an update on the FEC's Recommendations and the outcome of the March 2018 visit by the FE Commissioner, which had resulted in a recommendation to pursue an application for support from the restructuring fund (RF) on a 'Fresh Start' basis.

Whilst the next stocktake visit on 25 July 2018 would assess progress against the original 6 recommendations in the first stocktake report, the Principal had provided a response to all 15 recommendations made during the series of visits by the FEC team.

RESOLVED: to receive the report.

98. Restructuring Plan Implementation

The Deputy Principal presented a comprehensive and detailed update on the organisational change management programme. This had enabled the College to take out £3m of pay costs and would bring the staff costs to income ratio down to 65% or lower.

The Chair noted that the report demonstrated the complexity of the task the College had faced and commended the fact that it had been achieved without any adverse impact on teaching and learning thus far. However, this was something that would continue to be carefully monitored.

In response to a question, it was clarified that all negotiations with the trades unions had been concluded.

RESOLVED: to receive the report.

99. Vocational Focus

Mr Tupling presented a report on this initiative which had been introduced as part of the wider "Swap, Don't Drop" campaign to improve retention of those at risk of withdrawing from the College. Vocational Focus provided a range of vocational units delivered flexibly over a shortened day. The initiative underpinned the College's commitment to retain students on the best courses for them, together with securing the associated funding targets.

He described the Swap, Don't Drop process and reported on the impact: a 19% reduction in early withdrawals (289 compared to 357 the previous year). 170 students had been re-engaged on level 1, 2 or 3 vocational programmes, 85 of which had been taken on to the Vocational Focus programme. The financial impact was calculated as £470k of funding that would otherwise have been lost.

The paper also provided an update on Xplorer and Prince's Trust programmes and included specific developments planned for 2018-19.

Ms George informed the Board that there had been a longer discussion on this report at the QPS Committee meeting earlier in the day. The Committee had welcomed the appointment of a curriculum area manager for this area.

RESOLVED: to receive the report.

100. Curriculum Development

The Vice Principal presented a report on some key curriculum developments. This included progress on the College's planning for T-levels, Careers Strategy and Gatsby benchmarks, Teach Too, Developing Advanced Practitioners, Higher Skills Strategy, College Dashboard and a proposed Curriculum Development Group.

She was pleased to report that the College had been selected as one of 60 colleges nationally as a key member of a regional careers hub.

Members welcomed these exciting developments. The Principal reported that all these initiatives required pro-active development of applications, data preparation and submissions and she wished to recognise the contribution of all those staff involved in that work.

RESOLVED: to receive the report.

101. Funding Allocations 2018/19 – Curriculum Implications

The Vice Principal presented a report on funding allocations for 2018/19, comparisons with those for 2017/18 and the implications for the curriculum, together with the risks and mitigating actions for each of the various funding streams.

A member questioned what support students received on personal finance management. It was recognised that colleges could do more in this area but that PAD (tutorial) sessions provided an opportunity for one-to-one or group development for such skills.

RESOLVED: to receive the report.

102. Quality Improvement Plan (QIP)

Mr Tupling presented this report on the QIP, which was the key document for monitoring progress against key areas for development identified during self-assessment and Ofsted feedback. He highlighted:

- the improvement in Adult retention by 2.4% on 2016/17;
- the significant improvement in 'stretch and challenge', which had been a long-term aim, by some 30% since 2015;
- some improvement in English & maths, although this remained an area for continued focus and improvement;
- that, other than for Apprenticeships, attendance rates had fallen despite significant actions to deal with this issue. A member questioned the reasons for the decline. Mr Tupling responded that there was a need to be more resilient in setting standards and expectations in the first few weeks. Attendance levels in maths & English had pull down the overall figures for the College. The Vice Principal reported that the College intended to emphasise to students the importance of good attendance and punctuality in relation to their employment skills.

RESOLVED: to receive the report.

Dr Williams arrived at this point, 4pm

103. Apprenticeship Review Update

The Vice Principal presented this report. Following the first visit by the FE Commissioner's Team in November 2017, the Executive Team agreed to conduct a review of apprenticeship provision. A strategic "Apprenticeship Review Group" was set up was formed, supported by a series of task and finish groups.

The initial findings were of inconsistent approaches to apprenticeships in different curriculum areas and there was a need to better understand the reasons and for those differences, which, it was recognised, could be justifiable. In particular, the role of assessors and teachers was to be examined in greater detail.

The Principal considered that the College's huge growth in apprenticeships over a short period of time had been successful, but this had led to the development of different approaches (e.g. the use of technology) and different costs. Further work would need to be done before recommendations for changes could be made.

RESOLVED: to receive the report.

104. Financial Recovery and Restructuring Fund Application

The Principal presented a report on the Restructuring Fund (RF) application which had progressed through the first 3 stages and now awaited ministerial and Treasury approval. The final version of the RF application, together with the cash-flow and debt servicing (CFADS) model was included in the papers for information.

Members questioned what feedback had been received from the Transaction Unit (TU) on the application. The principal responded that TU had considered this to be a good application and they had responded with relatively few queries, which were mainly matters of clarification.

As reported earlier in the meeting, feedback from the External Advisory Panel was in connection with matters relating to Pioneer House.

Mr Howarth noted that the principle behind RF was to secure the long-term sustainability for colleges. The questions posed by the various scrutiny bodies were intended to ensure the College was well positioned for the future.

RESOLVED: to receive the report.

Mr Oldham, Financial Analyst, and Ms Clegg, Financial Controller, were in attendance for the following 2 items.

105. Annual Budget 2018/19

The Principal presented the proposed annual budget for 2018/19 which had been scrutinised in detail at the meeting of the Finance Committee on 22 June 2018, the minutes of which were included in the board papers for this meeting.

Since that time, as a result of input of the Committee members, additional information had been provided on increases to pay costs over that previously expected due to the restructure. Following discussion with the Transaction Unit, the Restructuring Fund grant was shown as received in Year 1 rather than Year 2, and the cash-flow data and graph had been updated to take into account transactions since the previous version.

Mr Williams, as Chair of the Finance Committee, confirmed that the points raised at the committee meeting had been taken into account. He noted that the budget was predicated on a successful RF application.

A member noted that the £363k business case for 16-18 funding was awaiting a decision by the ESFA.

Mr Oldham confirmed that the proposed budget met the minimum 8% EBITDA target set by the College at 8.2% and the maximum 65% FEC benchmark on staff cost to income, at 63.6%.

RESOLVED: to approve the Annual Budget for 2018/19 as presented, mindful of the assumptions, risks and sensitivities set out.

106. Financial Plan 2018-2020

The Principal presented the proposed Financial Plan 2018-2020 and supporting commentary. The first year was effectively as the 2018/19 budget proposal with subsequent assumptions consistent with those in RF bid.

Mr Williams confirmed that this had also been scrutinised at the meeting of the Finance Committee on 22 June and was recommended for approval by the Corporation.

Members considered the Financial Planning Checklist 'Annex A' checklist and agreed that all relevant matters had been included within the supporting commentary.

RESOLVED: to approve the Financial Plan 2018-2020 as presented, mindful of the assumptions, risks and sensitivities set out.

107. Lloyds Bank Arrangements

The Principal presented the offer from Lloyds Bank for an overdraft facility for £1.5m to be made available until 31 March 2019 and the terms set out in a letter dated 19 June 2018 from the Bank.

RESOLVED: to accept the offer of the overdraft facility from Lloyds Bank of £1.5m on the terms stated in a letter from the Bank dated 19 June 2018.

108. Financial Matters

The Principal presented a number of documents for the Corporation's information:

- A letter from Lloyds Bank confirming their Reservation of Rights following the breach of a financial covenant;

- A letter from Kirklees Council dated 26 June 2018 confirming that they were aware of the breach and that they were not proposing to take any further action on the 'cross-breach' of the College's loan arrangement with the Council;
- A letter and Financial dashboard from the ESFA dated 18 May 2018, confirming the assessment of the College's financial health as Inadequate following submission of the 2016/17 accounts;
- A Letter from Paul Williamson ESFA dated 27 June 2018 confirming that the removal of the Financial Health Notice to Improve would be considered a year earlier than would normally be the case.

RESOLVED: to note the documents above.

109. Estates Report

RESOLVED: to declare Minute 109 as confidential under Clause 17(2)(d) of the Instrument of Government.

110. Marketing and Communications

Ms Rose provided a report and screen presentation on the College's Marketing and Communications department, and its activity during 2017/18. This included details of the Marketing, Student Recruitment and Business Development (including Work Placement) team structure, Social Media and PR statistics and media coverage. She was pleased to report that the College had been ranked as the No 2 college by EduRank for social media impact for the year to May 2018, and for June 2018 it was ranked No 1 nationally.

The paper also provided detailed information on the activity to promote the new Springfield Centre and included the Marketing Planning Map for 2018/19.

Members welcomed the format of, and information within, the report. It was agreed that reports would be made to the Corporation twice yearly (May and December) with relevant data on enrolments being reported through the QPS Committee.

RESOLVED: to receive the report.

111. General Data Protection Regulations (GDPR)

Mr Riley provided an update on the College's compliance with the GDPR and principles following their coming into force in May 2018. A training programme had been devised and this was to be made mandatory for all staff.

He presented the following policies for the Board's approval:

- GDPR Policy
- Data Retention Policy
- Personal Data Breach Notification Policy
- Rights of Individuals Policy

Members noted that there had been low levels of capital investment in recent years and questioned whether the college's IT systems were suitably secure. Mr Riley responded that the

College had had made significant investment in network resilience over recent years using Microsoft systems. Risks were more likely to materialise from personal actions rather than system deficiencies and these were being addressed through staff training. He confirmed that systems were certified EEA compliant.

RESOLVED: to approve the policies as presented.

112. Strategic Risk Management Report

The Director of MIS, IT and Risk presented a report on the College's Strategic Risk Register which had been reviewed and updated by the Risk Management Board (SLT). For the benefit of new members, he described the risk management process and the purpose of the various reports presented.

One new risk had been added to the register since the previous report in March 2018 (relating to the achievement of apprenticeship targets) and 52 risks remained under management. The report included the key increases and decreases in risk exposure and summarised the reasons for these changes.

An additional risk report was included summarising the Transformation Programme Risk Register. A member suggested the inclusion of the date of the last update.

A member questioned whether the Risk 64 (Failure to deliver the Dewsbury Learning Quarter on time and within budget) was now a 'blunt' description of the risk, given that the Springfield Centre was nearing completion, whilst other elements were some way off. Mr Riley agreed to consider splitting the risk.

Members noted that the College had a good understanding of risks and their management, and that the model used was comprehensive and mature.

RESOLVED: to approve the College Strategic Risk Register.

113. Use of Corporation Seal

The Clerk presented a report on the use of the Corporation Seal in respect of 3 documents.

RESOLVED: to ratify the use of the Corporation Seal as reported.

114. Corporation Committee Membership 2018/19

The Clerk presented the proposed committee membership for 2018/19 and nominated link governors.

The resignations of Ms Nowacki and Ms Pinder were reported.

RESOLVED: to approve the Committee memberships and link governors for 2018/19.

Mr Hetherington left the meeting at this point, 5.45pm. Mr Williams took the Chair.

115. Committee Minutes

The Board received the minutes of the following committee meetings:

- (i) Financial Recovery Task & Finish Group, 10 May 2018
- (ii) Search & Governance Committee, 18 May 2018
- (iii) Finance Committee, 22 June 2018
- (iv) Quality, Performance & Standards Committee, 25 June 2018
- (v) Audit Committee, 2 July 2018

A discussion ensued on the proposal to extend the Internal Audit Service contract by one term pending a tender exercise. Members noted that satisfaction with the service was high and that Kirklees IAS had previously been shown as very competitive and good value for money. It was suggested that the extension to the contract should instead be offered for a full year.

RESOLVED: to accept the minutes and the recommendations therein, with the exception to offer the IAS extension for a full year.

116. Chair and Vice Chair Reports

The Chair and Vice Chair had continued to be actively engaged in meetings over the past few weeks, which primarily related to the College's financial recovery plans and in relation to estates matters.

117. Publication of papers and Declaration of Confidentiality

RESOLVED: that the papers on the FE Commissioner's Recommendations and Estates Plan be treated as confidential under Clause 17(2)(d) of the Instrument of Government.

118. Date of next meeting: Friday 5 October 2018, 3pm.