

Further Education Corporation

Approved Minutes

Minutes of a Meeting of the Further Education Corporation held at the Southend Campus on Monday 11 July 2016 at 6.10 pm.

Present: Mr D O'Halloran (Chairman)
Mrs S Carr
Mr T Knight
Mr R Launder
Ms A O'Donoghue CBE
Mr Paramjit Singh Narang
Mr R Patterson
Ms L Rieffel
Mr T Thompson

In Attendance: Mr A McGarel (Deputy Principal & Chief Executive)
Ms D Brown (Vice Principal, Curriculum & Quality)
Ms K Mulvey (Director of Teaching & Learning)
Mrs W Barnes (Vice Principal, Student Support)
Mr R I Millea (Clerk to the Corporation)

1. New Student Members

The Clerk **REPORTED** that Student Union elections had recently taken place but their Committee has not decided on their candidates to put forward for consideration to appointment to the Board as the two student governors.

The Clerk will email Members for their approval once the nominees are known. Their first Meeting will be the Board Meeting on 3 October 2016.

2. Apologies for Absence

Apologies for absence were received from Mr S Burrell, Mr B Brooks, Ms O Buck, Dr R Gray, Mr G Ocen, Ms M West, Mrs G Williams, Mr S Smith (Vice Principal, Corporate Resources) and Ms D Hurst (Director of Finance).

3. Declarations of Interest

The Clerk to the Corporation and the Director of Finance declared their interests as they occupy the same positions at Chelmsford College.

4. Urgent Business

There were no items of Urgent Business.

5. Minutes of the Meeting held on Monday 21 March 2016

The Minutes of the Meeting held on Monday 21 March 2016 were **APPROVED** and **SIGNED** by the Chairman.

6. Matters Arising

There were no Matters Arising from the Minutes, not otherwise covered in this Agenda.

7. Strategic Developments in South Essex (Paper FEC.16.12)

These were deemed to be Confidential Items under the Instrument & Articles and separate minutes have been prepared in connection with these items and are attached to these minutes.

8. Finance Matters (Paper FEC.16.13)

a. College Budget 2016-17

The Deputy Principal & Chief Executive presented the final draft Budget for 2016/17. He reminded the Board that a Budget has to be approved and submitted to the Skills Funding Agency as part of the Financial Forecast 2015-18 by 31 July 2016 (see item b below).

The Budget shows a surplus of £0.2million and requires substantial reduction to all operating costs in light of reduced income projections. He commented on the following issues:

- Sub-contracting to be reduced and more delivery of programmes in-house which enables more profitability as outsourcing only produces a handling fee of around 10% of the value of the work
- Tight control necessary of agency costs, which far exceeded budget in 2015/16 – the budget is £500K against this year's forecast of £1.3 million
- Revised teaching contract should improve efficiency and save money
- The introduction of Blended Learning within programmes to reduce teaching costs
- Lower expected international income
- Depreciation charge will be lower due to extending useful life of Thurrock and Southend Campuses from 50 years to 60 years
- Possibility of some redundancies likely

In response to questions from Members, it was confirmed that some of the redundancies may become voluntary. Also, it was agreed that there needs to be more regular reporting to the Board so that any drift from the Budget is promptly and effectively addressed.

The Board recognised the risk of students withdrawing in the first 42 days before the first census point and these have got to be minimised.

Managers are to be much more closely supervised and held to account for their budgets which has not previously happened effectively.

The Board were assured that the Budget was achievable but it is a considerable challenge. A lot will depend on the College being alert to variances and respond to them quickly.

The Board **APPROVED** the College Budget for 2016/17.

In addition, the Board **APPROVED** the Capital Budget for the year focusing on the blended learning centres at each Campus, staff moves from Southend to Basildon and refreshing some areas at Basildon. The anticipated cost is £1.7 million out of a total of £2.3 million identified for capital works.

Further detail on the Budget is noted in the Minutes of the Policy & Resources Committee of 20 June 2016, where these items were discussed in detail.

b. Financial Forecast 2016-18

The DP&CE presented the Financial Forecast 2016-18, comprising the forecast outturn for the current year, the Budget for 2016-17 and a Forecast for 2017-18. This has to be submitted to the SFA by 31 July 2016.

It was noted that the College's Financial Health is predicted to be Satisfactory for 2016 and 2017 rising to Good in 2018 assuming the sale of land at Aveley. Under the new FH methodology, the rating is a key risk as the adjusted current ratio is a critical component which could tip the College grading to Inadequate in 2017, if we do not meet income targets.

The key issues **NOTED** by the Board were:

- Income reduction next year due to reduced EFA grant on the lagged funding model, lower international income and closure of the nursery. No growth is assumed for 2017/18
- Salary costs have to be reduced by around £2million
- Non pay budgets are to be reduced by 20%
- Sale of Aveley is assumed in 2018 but not Nethermayne as this is on a phased basis
- Higher NI and pension costs impacting the pay bill

Accordingly, the forecast surplus for 2017/18 on these assumptions is the same as for 2016/17, as it is not possible to predict any other outcome at this stage.

Cash flow will remain under pressure and overdraft funding will be necessary between January and April in each of the next two years.

The Board **APPROVED** the Financial Forecast for submission to the SFA by 31 July 2016.

c. FRS102 Policy Recommendations

Following discussion at the Board Development Day last Monday, the Board **APPROVED** the following FRS102 adjustments:

- Accrual for holiday pay (restated at 31 July 2015) – effect £1.0million on restatement, reducing by £100K this year
- Deferred capital grants to continue on the accruals basis
- No revaluations of any fixed assets

In addition, the Board **APPROVED** a change in accounting estimate namely to revise the estimated useful life of the Thurrock & Southend Campus from the present 50 years to 60 years, based on advice from builders.

d. Review of Financial Regulations

The Board **NOTED** that the Regulations have been reviewed and no amendments are necessary at the present time.

The Clerk **NOTED** that, as a result of Area Reviews, it is more than likely that the Regulations will need revision to reflect any new College structure.

e. Sub-contracting/Collaborative Provision 2016-17

This was deemed to be a Confidential Item under the instrument & Articles and a separate minute has been prepared in connection with this item and is attached to these minutes.

9. Curriculum & Quality Matters (Paper.FEC.16.14)

The Principal & Chief Executive had prepared a paper, summarising the activity of the Curriculum & Quality Committee at its last Meeting, which, along with the Minutes of that Meeting also distributed for the Meeting, enables Board Members to demonstrate fully their scrutiny and challenge of Curriculum & Quality Matters.

The key issues noted were:

- Scrutiny of our Apprenticeship Offer, including success rates
- Changes to the Curriculum Plan 2016/17 (on this agenda for Discussion and Approval)
- Current Learner Performance (Retention and Attendance) (Monthly reports sent to all Governors)
- College Improvement Plan Monitoring
- Governors' Dashboard showing key in-year data (KPIs)
- Departmental Reviews
- QAA HE Review process (on agenda for Discussion and Approval)

The Board **NOTED** the Report.

Further Education

a. Ofsted Improvement Visit 28 June 2016

The Board **RECEIVED** a copy of the letter from our Improvement Inspector (dated 30 June 2016) following her visit to the College on 28 June 2016.

The Visit was very positive and highlighted the following four areas on which she focused during her visit:

- Scrutiny of teachers' tracking and assessment
- Attendance improvements
- Survey responses, restructuring and revised teaching and learning strategy
- Work experience placement progress

The Inspector had a discussion with us about the date of next inspection.

The Board **NOTED** the letter and its positive nature.

b. Curriculum Plan 2016-17

The Board **NOTED** the Plan for next year, which had been considered by the Curriculum & Quality Committee, and reviewed a variety of initiatives planned for next year to improve the offer to students, including differentiation in curriculum models between an into work route and an into further study route.

The Plan reflects the reduced funding for sub-contracting and lower predicted 19+ funded enrolments. Although it includes plans to increase adult students on professional/technical programmes funded through loans. It also includes a new Construction Skills (wet trades) provision at Basildon from January 2017.

The Adult Institute of Professional Education has been introduced to provide adult specific learning programmes and better prepare adults to progress in work and continually update their skills.

Computing and Electronics A Level provision has been removed due to poor performance.

The Board sought assurance that the College was placing the right students on the right courses and also observed that more work needs doing on the Business & Service Industries area.

There was concern that Engineering & Construction still needs further improvement, so growth for next year was minimal while we concentrate on improvement.

There was discussion as to the future of our A Level provision but Management stated that there was a real need to provide for students who have the potential to achieve and cannot do A Levels within the school system. The Board remained conscious of the need to get the quality right in this area and its financial viability.

In answer to a specific question, the Board was satisfied that we do maintain adequate class sizes and, in that regard, the A Level provision is viable.

The Board **APPROVED** the FE Curriculum Plan for 2016-17

c. Student Applications 2016-17

The Board **RECEIVED** a Report on the above subject which showed:

- 16-18 learner number allocation down 7.7% on last year
- Headcount applications at 30 June down 5.3% compared to June 2015
- A Level programmes applications have dropped significantly – 25%
- Thurrock enrolments are up 18%

The Board were assured that students making applications and course places not yet awarded are 'kept warm' with the aim of placing them on the course best suited to their needs.

The Board also noted that for financial and delivery reasons applications must be converted into actual enrolments. They noted the impact on the lagged funding model if enrolments do not meet the allocation for this year. Currently, the applications are 6413 against allocation of 6093. Conversion into enrolments is essential and a great deal of work is being done over the summer period.

The Board **NOTED** the Report.

d. Learner Survey

The Director of Teaching & Learning **PRESENTED** this Report and made the following observations:

- Ofsted impressed with the process during their recent monitoring Visit
- Students wished for course to be better organised
- Students feel safe and comfortable at College
- Our response rate has improved but still in lower quartile of Colleges (81% against a College target of 85%)
- Students are more conscientious in responding to the Survey

The Board reviewed the actions proposed to improve Student satisfaction arising from the Survey and **AGREED** those steps.

A Member asked why the contentment at Thurrock is low given it is a new Campus and was informed the issue is in specific curriculum areas, e.g. Engineering & Construction. New managers are now in place and the planning and curriculum offer for next year is much improved.

The Survey was **NOTED**.

Higher Education

e. QAA HE Review

The Board **CONSIDERED** the draft outcome of the above Review and found it somewhat disappointing.

The headline judgements met UK expectations on two counts but requires improvement in the other two counts – enhancement of student learning opportunities and the quality of student learning opportunities.

Given two ‘requires improvement’ categories, the College has to produce within two months of the report’s publication a detailed Action Plan to address the review findings. The draft Report should be published shortly. This Action Plan has to be validated by the QAA Reviewer.

The Vice Principal, Curriculum & Quality explained that the process was very rigorous and the Review Team felt that our accountability for HE was not easy to see and not as well evidenced as it might be.

In this connection, they felt the Board’s business (including that of the C&Q Committee) relating to HE should be separately considered and recorded compared to FE and that the Terms of Reference of the Curriculum & Quality Committee, which examines the detail in this area, should be strengthened by specific reference to HE.

The Board **APPROVED** revised Terms of Reference for the Curriculum & Quality to address this criticism.

The Board **NOTED** that the full Draft Report and the Action Plan has been made available on One Drive.

The Board also **NOTED** that the College has a considerable amount of further work to do in order to meet fully the QAA requirements and gain meeting expectations in all four judgement areas by May next, thus removing the two presently classified as ‘requires improvement’.

f. Curriculum Plan 2016-17

The Board **RECEIVED** a Report from the Vice Principal, Curriculum & Quality on the HE Curriculum Plan for next year.

Presently, there are three Awarding Organisations that validate College HE provision – University of Essex, University of the Arts London and Pearson Awarding Body.

Having recently completed the QAA HE Review, which identified areas for development and improvement, the College will not develop further degree provision over the next twelve months. The College will, however, work on developing higher apprenticeships leading to the award of an HNC/HND in line with Apprenticeship reform.

The Board **APPROVED** the Higher Education Curriculum Plan for 2016/17.

g. Student Applications 2016-17

To date, applications are 930, up 109 (13%) on the same point last year. The Board did note this is lower than the HE population has been in prior years. Confirmed starts are 310 (300 last year). Some offers still have to be confirmed and the Clearing cycle has just started and this will help boost numbers for this year's entry.

Course offers have been carefully reviewed and some closures made. There is some optimism that our final enrolments will be higher than last year and give a welcome funding boost for 2016-17.

In answer to a query from a Member, it was confirmed that, if we cease a provision of Year 1 students, we continue to progress those in Years 2 and 3 and this not only protects those students in their studies but gives the opportunity to re-offer a Year 1 in the following year.

The Board **NOTED** the Report.

h. Learner Survey 2015-16

The Director of Teaching & Learning **PRESENTED** this Report which was completed by all but final year students on HEFCE funded programmes.

Response rates improved from 57% to 65% but was variable by Department, with Business & Service Industries being very low.

Progress has been made, judging by the responses, in effective communication with students, course organisation and informative feedback. Two areas produced poor satisfaction on student access to IT resources (Construction & Engineering) and adequacy of library resources and services (Health & Science).

The Board **NOTED** the Report, noting the Actions planned to continue the improvement in satisfaction rates.

10. Items for Approval

On the recommendation of the Policy & Resources Committee, the Board **APPROVED**:

- Fees Policy (FE/HE) 2016/17
- HR Recruitment Policy
- Risk Management Policy
- Health & Safety Policy

These policies had been scrutinised by the Committee as part of its recommendation process and is evidenced in the Minutes of that Committee at its April and June Meetings.

11. For Information Only

The Board **RECEIVED** the following Committee Meeting Minutes:

- Audit & Risk - 11 May 2016 (unapproved)
- Curriculum & Quality - 16 May 2016 (unapproved)
- Policy & Resources - 25 April 2016 (approved)
- Policy & Resources - 20 June 2016 (unapproved)
- Search & Governance - 16 May 2016 (unapproved)

The Board also **RECEIVED** the following Reports from Committees:

- Monitoring of College Improvement Plan (Curriculum & Quality)

- Management Accounts to 31 May 2016 (Policy & Resources)
- Forecast Outturn to 31 July 2016 (Policy & Resources)
- Health & Safety Report (Policy & Resources)

The Board **RECEIVED** a verbal Report from the Vice Principal, Curriculum & Quality on her attendance at a recent East of England Ofsted Improvement Seminar. She noted that Matt Vaughan is to replace Paula Heaney as Senior Inspector for Ofsted in the East.

She observed that there is no grade 1 College in the East, most are grades 2 or 3 and the Region seemed to be tough in its gradings compared to elsewhere in the country.

12. Membership & Committee Matters (Paper.FEC.16.15)

The Board **APPROVED** the appointment of Gwynn Williams as Vice Chair of the Corporation for a two year term commencing 1 August 2016, nem con. There were no other nominations.

The Board also **APPROVED**:

- That Gwynn Williams, Terry Knight and Bob Patterson be re-appointed to the Board for a further four year term in each case, commencing 1 August 2016 and ending 31 July 2020 (on the recommendation of the Search & Governance Committee)
- That Adam Lyons be appointed as a co-opted Member of the Audit & Risk Committee for a four year term commencing 1 August 2016
- That all current Committee appointments be confirmed for the next academic year, with the addition of Maya West being appointed to the Curriculum & Quality Committee

The Board **RECEIVED** a Schedule outlining the Committee Memberships for the next academic year.

The Board **NOTED** that, by email resolution, the Board has approved the reduction, as a temporary measure, of the determined Membership of the Board from 20 to 18 and that recruitment of new Board Members is placed on hold.

13. Corporation Matters (Paper.FEC.16.16)

The Board **RECEIVED** a Report from the Clerk on Attendance at Board and Committee Meetings of Board Members during 2015/16 and an up to date Training Record for each Board Member.

The Board **APPROVED** the Corporation and Committee Meeting Planner for 2016/17 and the Corporation and Committee Schedule of Business 2016/17.

14. Forthcoming Events (Paper.FEC.16.17)

The Board **NOTED** the schedule of Forthcoming Events prepared by the Clerk.

15. Date of Next Meeting

Monday 3 October 2016 at Basildon at 6.00 pm.

There being no further business, the Meeting terminated at 8.40 pm.

Signed.....Dated.....