

LEEDS CITY COLLEGE

MINUTES OF THE MEETING OF THE BOARD OF GOVERNORS HELD ON MONDAY 19 SEPTEMBER 2016

Present

Colin Booth	Chief Executive and Principal
Emily Chapman	Student Elected Governor
Robert Clunas	Staff Elected Governor
Cherry Fricker	Governor
Becky Hewitt	Governor
Shaid Mahmood (Chair)	Governor
Libby Raper	Governor
Tina Turnbull	Governor

The quorum for the meeting was seven Board members

In Attendance

Alyson Bird	QAA – FDAP Reviewer (observer)
Lydia Devenny	Director of Finance
Gerry Godley	Principal and Managing Director, LCoM
Melanie Halstead	Clerk to the Board
Bill Jones	Deputy Principal Teaching and Learning
Jane Pither	Deputy Principal Corporate Services
Huw Roberts	Director of Human Resources
Palvinder Singh	Vice Principal Growth and Development

The meeting was held at the Printworks Campus and started at 5pm

MEETING ADMINISTRATION

1. Apologies for Absence

Apologies for absence were received from Adam Beaumont, Gerald Jennings and Christine Smith (governors). Apologies were also received from Brian Archer (Commercial Director) and Andrew Whitaker (Executive Principal, WRAT).

2. Determination of Observers/Attendees at the Meeting

The Board agreed attendees/observers at the meeting as per the above attendance list.

3. Declaration of Interests in any Agenda Items

The Chair reminded governors of the requirement to declare their interest in any agenda items.

4. Minutes of the Meeting of the Board held on 18 July 2016

RESOLVED (B 40/16):

That the minutes of the meeting of the Board held on 18 July 2016 be approved and signed by the Chair.

BOARD MEMBER COMMUNICATIONS

5. Key Statutory Areas

Health & Safety and RIDDOR

The Deputy Principal Corporate Services advised that all seven HSE improvement notices had been satisfied and closed with a HSE follow up visit to the Printworks Campus planned for early October. Close monitoring of the Printworks Campus continued. The following data was reported for the period since the last Board meeting:

48 accidents/incidents of which 44 were not college related
No major injuries
No RIDDOR reportable incidents

It was noted that the annual Health & Safety report would be presented at the next Board meeting.

The link governor for Health & Safety advised governors of an issue relating to the temperature in some teaching and learning areas. This was currently being monitored by campus heads and a range of practical solutions had already been identified.

Safeguarding and Prevent

The 2015/16 annual report was scheduled for the next Board meeting. A consultation on cohesion and social inclusion was due to be published shortly and the Chair suggested that the college's response be shared with governors.

SEND

The Deputy Principal Teaching and Learning advised that a lot of work was taking place to ensure that all available funding was being drawn down for this student group.

Equality & Diversity

Governors were informed of changes being made to the Equality & Diversity Committee for 2016/17 to maximise its effectiveness. The link governor for Equality & Diversity also briefed the Board on discussions held with the Director of HR and Head of Essential Skills relating to assessment and support of students with dyslexia and learning support needs.

6a. Task & Finish Groups

English and Maths

2015/16 results had previously been shared with governors. The Chair of the Task & Finish Group advised that the results had been as predicted and a detailed 2016/17 action plan was already agreed and being implemented. A new delivery and staffing model was also in place for 2016/17 with positive feedback having been received from students. In response to a query from governors, the Deputy Principal Teaching & Learning confirmed that 2015/16 outcomes and 2016/17 targets would be presented formally at the next Board meeting.

Apprenticeships

The Chair of the Task & Finish Group provided feedback from a meeting held the previous week. The Commercial Director had reported to the Task & Finish Group that the college would meet the minimum threshold targets to enable the SFA notice of concern in relation to the college's apprenticeship provision to be lifted in-year. A new delivery model together with new managers and staff teams had been introduced for 2016/17, representing a significant change.

A discussion followed in relation to the need to continue to manage any negative messaging around the notice of concern pending it being lifted by the SFA.

6b. Other Communications

White Rose Academies Trust (WRAT)

The Chief Executive reported that 2015/16 results at all three academies within the Trust had been disappointing. The new Executive Principal had taken up post on 1 September 2016 and would attend the next Board meeting to present the results to the college, as sponsor of the Trust. It was noted that whilst all three academies were performing better than they were on joining the Trust, much more significant and speedy improvement was required. All three academies would be inspected by Ofsted in the current academic year and the Chief Executive (representing the sponsor) and the Chair of the Trust Board had met with the Regional Schools Commissioner to discuss the Trust's plans for securing improvement in its academies. The Chair advised that he would also be meeting with the Chair of the Trust to discuss the college's expectations as sponsor.

Arising from this discussion, it was suggested that the Board receive a further briefing on the governance and reporting structure of the Trust.

STRATEGY AND POLICY

7. Marketing, Growth and Financial Plans

(a) Marketing and Growth Plans for Leeds City College and Keighley College

The Vice Principal (Growth and Development) presented to the Board on the development of the college's marketing strategy with a particular focus on the three year financial plan. The main area of focus was EFA (Education Funding Agency), representing the largest proportion of the college's income. Discussion centred around changes in the college's market share in specific subject areas. In considering the college's market share by level of study, it was noted that within the Leeds recruitment area, 70% of all 16-18 classroom based learners were enrolled on Level 3 qualifications. At this level, the college attracted just 18% of the learners.

In terms of future opportunities, the college needed to increase quality, invest and grow the Level 3 market. Increased Level 3 competition presented a threat to the college, with over-supply of new entrants (UTCs, Free Schools). In response to this, the college had revamped its school liaison team as part of the student recruitment and marketing team.

Governors welcomed the developments made in recent months to introduce rigorous monitoring systems and processes and the range of data now available. Governors were also pleased to hear that the college was confident of stemming the decline in 16-18 student numbers in the current year, despite a reducing demographic. The increasing importance of conversion rates, new applications and progression was emphasised.

In discussing the college's approach to marketing, it was noted that investment would be made in improving the learner journey, quality and reputation, customer service, school liaison and careers advice rather than investing in publicity. In response to a question from governors, the Chief Executive/Principal reported that the data now available to the college confirmed that the loss of student numbers in previous years was attributed to the customer experience.

A discussion also took place around the differing dynamics in the market place between Leeds and Keighley and, in response to a question from governors, the Vice Principal confirmed that the college had access to the same level of detail for other geographical areas. It was suggested that this be explored further at the next link governor meeting.

(b) Group Three Year Financial Plan – Stretch and Challenge

At its previous meeting the Board had approved the 2016/17 budget and financial plan for submission to the SFA but asked that further information be presented at this meeting in relation to further stretch and challenge. The Director of Finance therefore presented a

paper which provided a “low” and “high” forecast for each of the financial years against the agreed baseline plan. The link governor for this area was absent from this meeting but had met with the Chief Executive in advance to discuss the paper and had also provided additional feedback to the Chair which had been shared with fellow governors.

Governors considered the stretch plan for 2016/17, as outlined in the circulated report. It was noted that the financial objective previously agreed by the Board was to exceed 5% EBITDA and to have £5m to invest in property and equipment. The 2016/17 baseline plan did not achieve the £5m target but it was acknowledged that the 2017/18 and 2018/19 baseline plans exceeded the target. As outlined in the marketing presentation earlier in the meeting, the impact of lagged funding had a significant impact on the current financial year. It was also noted that the agreed budget for 2016/17 delivered efficiencies of c£3m.

The assumptions underpinning the growth numbers for 2017/18 and 2018/19 were also considered, supported by the marketing presentation delivered earlier in the meeting.

In response to a question from governors, the Director of Finance advised that the college had not yet articulated the EBITDA required to fund the property strategy projects outlined separately on the agenda for this meeting. The outcome of this work would be shared with governors when available. In relation to the property strategy, the Chief Executive advised that an element of grant funding would be required as the proposed strategy was not affordable without such funding. The amount of grant that might be secured in the future was impossible to predict. It was therefore imperative that the college improve its financial performance to enable additional borrowing to fund the property strategy. The issue of additional borrowing and associated risk levels would be an issue for the Board to debate and determine at the appropriate time.

In considering pay costs, governors queried whether flexible staffing was more expensive than core staffing; the Director of Finance advised that this was not necessarily the case. The college had saved on VAT through using White Rose Resourcing (a wholly owned subsidiary of the college). The Director of Finance also clarified that because of the way the budget had been built, if the college was at or above target income during the year it expected core staffing to be underspent and flexible staffing to be overspent by a similar or slightly lower amount.

Governors questioned the potential for further cost savings to be achieved; the Director of Finance advised that the budget was based on the business plans agreed with individual departments. Importantly, if the income targets were not achieved, relevant departments would be challenged to make the savings required to compensate for the reduced level of income. It was confirmed that heads of department were aware of this requirement. Governors emphasised the need for acute monitoring so that any likely under-achievement is identified at a very early stage.

8. Group Strategy

The Chief Executive/Principal presented a paper suggesting a way in which the Board could set, agree and refresh the Development Plan (the college’s key strategy document) each year. The paper also provided a draft set of strategic aims for 2016/17 for debate by the Board. The Chief Executive/Principal advised that the strategic aims would be refreshed annually to reflect the pace of change in the operating environment.

Following a lengthy discussion, governors felt that clear articulation of the college’s overall long term strategic direction, broader context and analysis to support consideration of the proposed strategic aims was currently lacking. It was therefore agreed that a small group of governors would meet with the Chief Executive/Principal to discuss this further with a view to bringing a revised proposal back to the Board.

A discussion also took place around the role of link governors in the finalisation of action plans to support the annual strategic priorities. It was clarified that the role of governors was to provide feedback, challenge and support on the action plans compiled by the executive. It was agreed that the wording of the circulated paper be amended to more accurately reflect this.

9. Group Property Strategy

(a) Property Strategy 2016 Update

The Chief Executive/Principal presented a draft of the 2016 update of the group property strategy. The last full update of the property strategy was in 2011 and good progress had been made against that plan, including completing the new Keighley College. All phases of development at the Printworks Campus would also be completed by summer 2017.

The circulated report outlined a suggested approach for monitoring major capital projects through three distinct stages – the ideas stage, the planning stage and the delivery stage. Governors agreed the proposed method for Board approval and monitoring of projects as described in the report.

The following update was provided on current projects at the planning or delivery stages:

- Printworks Large Print Hall – delivery stage – due for completion in late spring/summer 2017.
- Quarry Hill (Health Sciences and Arts buildings) – planning stage – awaiting planning permission, land purchase and subsequent final approval of LEP grant funding.

The proposed 2016 property strategy was composed of a series of developments that would move provision away from Park Lane to be located at Quarry Hill and close to the Printworks Campus, eventually releasing all of the Park Lane Campus and College House for sale. Governors discussed the planned series of developments, each being potential projects at the ideas stage. In terms of funding the projects currently at the ideas stage, it was reported that the college had submitted an Expression of Interest for further skills capital grant funding via the LEP (Local Enterprise Partnership). In response to a query from governors, the Deputy Principal Corporate Services confirmed that submission of the Expression of Interest did not commit the college to anything. The affordability of each project would be dependent on the external grant funding available, the cash raised from asset release and the financial performance of the group. Individual projects with detailed rationale would be brought back to the Board for specific approval to move from ideas to planning stage.

One of the projects currently at ideas stage involved relocation of the 14 to 16 Apprenticeship Academy, possibly through a bid to the Department for Education (DfE) to create a 'Free School'. Having discussed the potential advantages and disadvantages, governors supported the broad principle of creating a Free School. A follow up paper would be brought back for a specific Board decision at the appropriate time.

Governors supported the main direction of travel in the proposed property strategy in moving away from Park Lane and College House and eventually releasing these sites for sale. However, it was emphasised that the sequencing of individual projects needed to be based on need.

RESOLVED (B 41/16):

- (a) To support the main direction of travel in the proposed property strategy in moving away from Park Lane and College House and eventually releasing these sites for sale.

(b) To agree the method for Board approval and monitoring of individual projects as described in the circulated report and summarised above.

(b) Quarry Hill Fee Extension

The Deputy Principal Corporate Services presented a paper seeking Board approval to commit further fees to the Quarry Hill project. In June 2016 the Board had approved professional fees for the development of the project at a level of £750k, allowing for design development to planning approval submission stage. On 7 September the West Yorkshire Combined Authority (WYCA) Investment Committee had agreed grant funding in principle. The college anticipated final approval for funding in November 2016 after securing planning permission and a contract to secure the land.

In order to continue with the detailed design of the interior of the building, the Board was asked to approve further funding for design development. It was confirmed that the current Quarry Hill project had been included in the college's most recent financial plan and the cash flow mapped into the college's cash projections. The spending on fees would be capitalised and included in the whole project budget. Should the project not go ahead the money spent on fees would fall back from capital spend into the college's income and expenditure account, showing as increased expenditure in 2016/17. In response to questions from the Board, the Deputy Principal Corporate Services explained why additional funds needed to be expended at risk at this stage which was linked to the timescales for planning (November 2016).

In terms of the land purchase, the Chief Executive/Principal advised that change of use/removal of a covenant within the existing lease was currently being negotiated with the owner and the Local Authority. The Chair and the Vice Chair (TT) declared an interest in relation to any negotiations with the Local Authority.

RESOLVED (B 42/16):

To approve a further design fee budget of £800k until December 2016 when a full project capital budget will be presented for approval.

PERFORMANCE MONITORING AND SCRUTINY

10. Group Financial Position 2015/16

The Board considered the financial position for the group for the year ending 31 July 2016. The current EBITDA position was £50k lower than forecast due to lower than anticipated SFA income. This position was continuing to be monitored as the year end was finalised. The Director of Finance reported that at present the financial health score was expected to be satisfactory, subject to the outcome of the current funding audit. The balance sheet reflected a strong asset position, in accordance with the budget for the year. Cash flow continued to be updated and reviewed on a weekly basis. Forecasts indicated that a short term financing arrangement would be required to cover the period January to April 2017 and the Board discussed the likely value of this requirement. The Director of Finance advised that discussions were already taking place with the college's bankers.

GOVERNANCE AND COMPLIANCE

11. Leeds City College Supply Chain Fees and Charges Policy

The Director of Finance presented, for approval, the college's Supply Chain Fees and Charges Policy for 2016/17. It was noted that the policy provided for a typical fee range to be retained by the college of between 19% and 30%. The fee range took into account the level of capacity and skills of contractors and the risk assessed through the tendering process. The management fee for new sub-contracts would be 25%.

RESOLVED (B 43/16):

To approve the Supply Chain Fees and Charges Policy for 2016/17.

12. Group Structure – Draft Terms of Reference

The Clerk presented a paper seeking Board approval of the draft terms of reference for the new LCC Commercial and Keighley College Sub-Committees. These new sub-committees had been established by the Board as part of the Leeds City College group structure.

The objective of the new sub-committees was to undertake the oversight of the operation of the LCC Commercial Division and Keighley College on behalf of the Board. The sub-committees would consist of members drawn from the Board together with new co-opted members with the appropriate expertise. The Group Chief Executive would also be a member. The Clerk provided an update on potential members identified for each sub-committee. It was suggested that each be chaired by a Board member – Becky Hewitt had agreed to chair LCC Commercial and chairmanship of the Keighley College Sub-Committee would be taken into account when recruiting and selecting new governors later in the term.

Minutes of meetings of the sub-committees together with a regular report would be submitted for consideration and for the approval of recommendations by the Board.

RESOLVED (B 44/16):

- (a) To approve the draft terms of reference for the LCC Commercial and Keighley College Sub-Committees.
- (b) That Becky Hewitt be appointed as chair of the LCC Commercial Sub-Committee with immediate effect.

13. Group Board Membership

(a) Governor Skills Audit and Next Steps

The Clerk asked that any skills audits not yet completed by governors be returned at the earliest opportunity. Once all returns were in, the Clerk would analyse and present recommendations to the Board on the skills/experience to be targeted as part of the recruitment campaign for new Board members.

(b) Adam Beaumont - Term of Office

It was agreed that Adam Beaumont be reappointed as a governor up to the end of December 2016, allowing for the outcome of the skills audit review and recruitment campaign to be concluded.

(c) Appointment of Chair and Vice Chairs of the Board

Shaid Mahmood had been nominated for reappointment as Chair of the Board; no other nominations had been received and the Board was therefore asked to confirm his appointment for a further one year term of office with effect from 1 October 2016.

Cherry Fricker and Tina Turnbull had been nominated for reappointment to the two Vice Chair positions; no further nominations had been received and the Board was therefore asked to confirm these appointments for a further one year term of office effective from 1 October 2016.

(d) Appointment of Staff Governor

The Clerk reported that Robert Clunas had been nominated for appointment as staff elected governor; no other nominations had been received. The Clerk advised that Robert had already served as staff elected governor for seven years – the Board's Standing Orders provided for individual governors to serve for a maximum of eight years and so the Board was recommended to reappoint Robert for a period of twelve months rather than the usual two year term for staff governors.

RESOLVED (B 45/16):

- (a) That Adam Beaumont be reappointed as a governor for the period to 31 December 2016.
- (b) That Shaid Mahmood be reappointed as Chair of the Board for the period 1 October 2016 to 30 September 2017.
- (c) That Cherry Fricker and Tina Turnbull be reappointed as Vice Chairs of the Board for the period 1 October 2016 to 30 September 2017.
- (d) That Robert Clunas be reappointed as staff elected governor for a twelve month period commencing 22 September 2016.

14. Leeds City College Governor Attendance

The Board considered a report reviewing the level of governor attendance during 2015/16. Overall attendance was 84%, slightly below the Board's target of 85%. However, a short leave of absence had been agreed for one governor during the year – excluding those absences from the figures would increase the overall attendance rate to 86%, slightly above target. The contribution made by governors over and above attendance at formal meetings was also acknowledged.

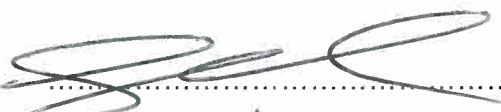
RESOLVED (B 46/16):

To note the level of governor attendance during 2015/16 and to reaffirm the overall target of 85% as a minimum for 2016/17.

FOR INFORMATION

The Board received, for information, the rolling list of actions/matters arising from previous Board meetings.

The meeting closed at 8.40pm

Signed :  (Chair)
Date : 17/10/16