

## LEEDS CITY COLLEGE

### MINUTES OF THE MEETING OF THE BOARD OF GOVERNORS HELD ON MONDAY 19 DECEMBER 2016

#### **Present**

Adam Beaumont	Governor
Colin Booth	Chief Executive and Principal
Emily Chapman	Student Elected Governor
Robert Clunas	Staff Elected Governor
Cherry Fricker (Vice Chair)	Governor
Becky Hewitt	Governor
Gerald Jennings	Governor
Shaid Mahmood (Chair)	Governor
Libby Raper	Governor
Christine Smith	Governor
Tina Turnbull (Vice Chair)	Governor

The quorum for the meeting was seven Board members

#### **In Attendance**

Brian Archer	Commercial Director
Jason Challender	Director of Physical Resources – item 7 only
Lydia Devenny	Chief Financial Officer
Gerry Godley	Principal and MD, Leeds College of Music – up to item 13
Melanie Halstead	Clerk to the Board
Bill Jones	Deputy Principal Teaching and Learning
Paul Maxfield	Consultant – item 10 only
Jane Pither	Deputy Principal Corporate Services
Julie Rowland	Director of MIS – item 10 only
Andrew Whitaker	Executive Principal, White Rose Academies Trust

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

#### **MEETING ADMINISTRATION**

##### **1. Apologies for Absence**

There were no apologies for absence.

##### **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 14 November 2016**

RESOLVED (B 59/16):

That the minutes of the meeting of the Board held on 14 November 2016 be approved and signed by the Chair.

## BOARD MEMBER COMMUNICATIONS

### 5a. Key Statutory Areas

#### Health & Safety and RIDDOR

The Deputy Principal Corporate Services reported that there had been 15 accidents across the college since the previous Board meeting; there had been no RIDDOR events. In response to an issue previously highlighted by the link governor for health and safety, the Deputy Principal confirmed that sufficient first aiders and fire wardens were in place and had received appropriate training. As previously requested by the Board, a separate report appeared on the agenda for this meeting relating to health and safety cultural issues.

#### Safeguarding and Prevent

The link governor for Safeguarding and Prevent provided feedback from a recent meeting of the Safeguarding Strategy Group. The Group had considered the 2015/16 safeguarding annual report in detail and the link governor had also received a report on safeguarding activity during Term 1 of the current (2016/17) academic year. It was noted that 240 safeguarding concerns had been raised in Term 1 compared to 284 for the same period the previous year. Two allegations against staff members had been referred to the Local Authority Designated Officer and the Deputy Principal Corporate Services confirmed that the college had taken appropriate action and extra training was being put in place in the department concerned. The link governor also advised that reporting had been refined to provide a breakdown of reported safeguarding instances occurring in college versus externally. The link governor also reported on a cross college campaign around British values. So far this term five concerns had been raised relating to radicalisation and extremism. A discussion followed relating to the potential use of an App for students to report concerns; the Deputy Principal Corporate Services would liaise with Adam Beaumont (governor) on this issue. The SU President/student governor commented that an alert button was available on the student intranet but that this was under-used at present.

#### SEND

The link governor for SEND reported that the college had recently been involved in an Ofsted inspection of Leeds Children's Services. Informal feedback suggested that the needs of young people were being well served by the college.

#### Equality & Diversity

The link governor for Equality & Diversity briefed governors on recent discussions with the National Centre for Diversity regarding the Investors in Diversity and Leaders in Diversity awards. Further information would be presented to the Board in due course.

### 5b. Task & Finish Groups

#### English and Maths

The Chair of the Task & Finish Group provided feedback from a meeting of the group held the previous week. In reviewing key performance indicators, the group had identified a need for further developments in reporting, particularly around learner progress. The SU President/student governor advised that feedback from student voice activities in Term 1 had been positive in relation to English and maths.

#### Property Strategy

The Chair of the Task & Finish Group reported that 8<sup>th</sup> May 2017 was the projected date for completion of works at the Printworks Campus. The Printworks project was expected to be delivered on budget. The Quarry Hill project was the subject of a separate report on the agenda for this meeting.

## 5c. Other Communications

### Student Voice

The SU President/student governor reported that over 1300 student feedback forms had been completed in Term 1; feedback overall had been very positive.

## STRATEGY AND POLICY

### 6. January 2017 Strategic Seminar

The Chief Executive/Principal presented a draft of the agenda for the Board's 2017 strategic seminar for discussion and feedback. Governors noted and endorsed the proposed external speakers and the suggested strategic topics for discussion. It was suggested that the workshop on Adult Education Budget include a discussion around poverty and inclusive growth.

### 7. Group Quarry Hill Project

#### (a) Project Update and Budget

The Deputy Principal Corporate Services presented a paper updating governors on the Quarry Hill major capital project and seeking Board approval for the project budget.

It was reported that the Combined Authority had approved a grant of £33.4m, following which the legal arrangements around the receipt of the grant had commenced. It was anticipated that final planning permission would be confirmed before Christmas. In addition, conditional contracts had been finalised with Metropolitan & District Securities together with an associated letter giving permission to access the land for enabling works prior to exchange of contracts and payment for the land. Design of the project had reached RIBA Stage 3. Arising from discussion, the SU President/student governor suggested that communications with students on this project could be improved; the Deputy Principal Corporate Services undertook to progress this. The SU President/student governor also commented that a mid-year move could be problematic for students, particularly during the mock exam period. The Chief Executive/Principal advised that an in-year move was necessary due to the timescales involved.

In considering the proposed project budget, governors expressed concern in that the project costs were significantly higher than anticipated. In particular, governors took the view that a further Board debate around the impact of any additional borrowing was necessary. The parameters of further value engineering also needed to be better understood by governors.

Following this discussion the Board agreed to note the figures presented but to stop short of approving the project budget at this stage. The Chief Executive/Principal therefore undertook to come back to the Board with a proposed budget for approval when there was more clarity around the value engineering and the position of the LEP in relation to any additional borrowing requirements. It was emphasised that the Board had not committed to any additional borrowing at this stage and it was suggested that successful value engineering should negate the need for additional borrowing.

The Board questioned the level of certainty around the timing of proposed asset sales. The Deputy Principal Corporate Services advised that it was planned to proceed to test the market in relation to the Technology Campus. The Deputy Principal also undertook to bring a paper back to the Board in February 2017 setting out proposals for the Horsforth Campus.

#### (b) Letting of Contracts for Enabling Works and Main Contractor Works

The Board considered a report on the contract procurement exercise for the major contracts at Quarry Hill. Due to pressures on the project programme, it had been agreed to

separate the enabling works from the main contract, thereby enabling works to start on site while the main contract was being developed.

The enabling work contract had been procured using the YORcivils contractors' framework agreement, which aligned with the college's use of YorConsult to appoint the professional team and Yorbuild2 for the main contract. This framework allowed for appointment of contractors on a 'Direct Call Off' basis.

The circulated report sought Board approval to proceed to let the contracts and governors queried how much of the overspend discussed earlier in the meeting the Board would be committing to should it approve the letting of these contracts. The Chief Executive/Principal suggested that the Board approve the appointment of the recommended contractors only at this stage; the final budget would come back to the Board for approval as per the discussion earlier in the meeting.

A discussion followed regarding the major risk around delays to the programme. It was reported that Wates had indicated a willingness to work to develop the programme to meet some if not all of the criteria for moving in on time. In addition, a prompt start with enabling works and full disclosure of the testing results to date would assist in the mitigation of this risk.

RESOLVED (B 60/16):

- (a) To appoint Jackson Frameworks Limited to carry out the enabling works at Quarry Hill.
- (b) To appoint Wates as the main contractor for the Quarry Hill project.
- (c) To approve a target handover date of November 2018 with a target earlier handover date for the LCoM floor enabling teaching to start in September 2018.
- (d) To note the adjustments to the programme as detailed within the circulated report and which would be discussed with the LEP at the earliest opportunity.

(c) Plans / Visuals

The Director of Physical Resources shared with governors the latest plans/visuals for the Quarry Hill project.

## PERFORMANCE MONITORING AND SCRUTINY

### 8. Human Resources and Organisational Development

(a) Group Annual Report 2015/16

The Board received a report that provided an overview of HR across the group for the academic year 2015/16. Whilst welcoming the reports on the different parts of the group, governors suggested that group reporting could be further developed in this area. Governors queried why the take up of mandatory staff training modules was below 100%; the Chief Executive/Principal advised that this was due to the report representing a snapshot in time and staff turnover. Overall, governors felt that substantial progress had been made in HR in 2015/16.

(b) Leeds City College Staff Survey Outcomes 2016

Governors considered the high level outcomes of a staff survey carried out at Leeds City College. The response rate of 50% was felt to be too low for the survey results to be meaningful and a discussion therefore followed in relation to ways in which to increase the response rate for future surveys. It was also suggested that consideration be given to revising the questions used in future surveys. Whilst deviating from the questions would make benchmarking more difficult, governors were of the view that asking the right questions for Leeds City College was more important. It was agreed to return to this following the 2017 strategic seminar.

## 9. Finance

### (a) Group Financial Position and Forecasts 2016/17

The Chief Financial Officer presented a report outlining the financial position for the period ending 30 November 2016. The report reflected the performance of Leeds City College, Leeds College of Music, the Commercial Division and Keighley College. Governors were pleased to note that the EBITDA position was higher than budget, now being close to the stretch target of £4.5m agreed by governors. In considering the forecast outturn governors noted that the greatest area of risk was associated with reaching the increased forecast for adult apprenticeship income.

It was noted that the full Quarry Hill project was not reflected in the cash flow presented as the timing of expenditure was yet to be confirmed. This position would be updated for the next report. The Chief Financial Officer reported that a short term financing arrangement would be required to cover the period January to May 2017; discussions to support this facility were already taking place with the college's bankers.

### (b) 2016/17 Group Income Forecasts

The Chief Financial Officer introduced a report that provided governors with a summary of the forecast against the main income budget lines. Supplementary papers prepared by income stream owners were also presented. Overall, the income forecast for 2016/17 was £721k higher than budget and the lagged EFA income forecast for 2017/18 based on current student recruitment was £500k better than the current 3 Year Financial Plan. Governors focused on the adverse variance reported, that being against the full cost courses, projects & contracts income stream, and noted the actions taken/planned to address the current shortfall. A discussion followed in relation to cost management in areas where budgeted income was not achieved; the Chief Financial Officer confirmed that this was happening in line with the principles agreed at the beginning of the year (at least 75% of costs being removed where income not achieved).

RESOLVED (B 61/16):

To note the current financial position of the group and the updated forecast outturn for 2016/17.

## 10. Group Data Dashboard

The Board received a presentation on the ongoing development of the Group Data Dashboard. The Deputy Principal Corporate Services advised that key performance indicators (KPIs) had been developed for monthly reporting and that these would be broken down by different parts of the group. Feedback received from link governors had been taken into account in the proposed KPIs. Access to data via mobile devices would be available by May 2017. In the meantime, a monthly paper-based report would be produced.

The Deputy Principal Corporate Services went on to advise that the dashboard would provide a single source of reliable data, which in time would be used throughout the organisation, including for performance review and business planning.

Governors expressed their thanks and congratulations to Julie Rowland and Paul Maxfield for their work in developing the dashboard thus far.

## 11. Update on Health & Safety Cultural Issues at Leeds City College

As previously requested by the Board, the Deputy Principal Corporate Services presented a report updating governors on the progress made in improving the approach to health and safety in the Engineering and Motor Vehicle departments.

In November 2016 the Health and Safety Executive (HSE) had confirmed that the improvement notices previously issued had been satisfied but there remained some minor issues to be addressed. Subsequent discussions between department staff and the health and safety team had resulted in a lengthier list for action being compiled and the Deputy Principal confirmed that this was being worked through. Management changes had also been actioned with a new, permanent Head of Department taking up post on 1 January 2017. A single senior leader would also manage the Printworks Campus with responsibility for the whole campus, including health and safety arrangements. Additionally, the college's internal auditors would conduct a review of the department during the spring term as part of a 'deep dive' approach to assessing the impact of performance management changes within curriculum areas. This would serve to provide additional evidence about the impact of the measures taken to improve culture and accountability. The internal auditors would present their report to the Audit Committee.

## **GOVERNANCE AND AUDIT**

### **12. Leeds College of Music (LCoM) – Feedback from December 2016 Board Meeting**

The Principal and Managing Director of LCoM provided the following feedback from a recent meeting of the LCoM Board of Directors at which the following issues had been discussed:

- Full planning permission had been granted for the Skyline Library project enabling works to commence in January 2017.
- Teaching Excellence Framework and the opportunities afforded by disaggregating HE provision within the group for the purposes of supporting both HE aspects on the trajectory towards TDAP. More detail would be provided at the 2017 Strategic Seminar.
- A planned Shape and Size Review of LCoM to identify any potential for further efficiencies in delivering the curriculum.

### **13. White Rose Academies Trust (WRAT) – Progress Update**

The Executive Principal of WRAT briefed the Board on progress made within the Trust since September 2016 including:

- Setting the ambition for all WRAT Academies to be judged as 'outstanding' in three years.
- Creating a culture where 'adults get it right every day', followed by a culture where 'students are always safe, happy and progressing well in their education'.
- A series of externally validated reviews including subject specific reviews, a review of teaching performance of all teachers and surveys of the school community (parents, students and staff).

It was noted that the Trust had now formalised its school improvement agreements with the GORSE Academies Trust and Cockburn Multi-Academy Trust. The Executive Principal advised that these partnerships were already having an impact.

In terms of accountability and performance management, it was reported that initial work had begun on establishing clearer line management, though much of this work would be concluded through a restructure of management in all three academies. However, the WRAT Board of Directors had been very clear that redundancy should not be used as an alternative to performance management.

The Executive Principal also provided feedback from the Regional School Commissioner's recent visit to the Trust.

## 14. Risk Management

### (a) Close Down of 2015/16 Risk Register – Leeds City College

In considering the year-end 2015/16 risk register, the Audit Committee had noted that a number of risks previously forecast to be rated as green had remained as amber. Committee members had therefore asked the executive to report to the Board in more detail on these risks to assist governors in understanding why they remained rated as amber risks; the Deputy Principal Corporate Services now presented this report.

Board members reviewed the five risks that were still amber as at July 2016 and considered their current status and position within the new group risk management arrangements. It was recognised that learnings could be taken from this process when compiling risk registers.

### (b) Group Risk Register 2016/17

The Group Risk Register for 2016/17 had been prepared after scrutiny of the divisional risk registers and an assessment of the materiality of the impact of individual risks on the group. As a result, nine risks had been identified at group level, all of which were currently rated amber or red. The two red risks related to group finances (cash flow) and resourcing of the property strategy. Governors reviewed the actions taken/planned to mitigate these risks.

The Chair of the Audit Committee advised that the committee had discussed its approach to risk management in light of the developing group structure. Arising from this discussion it was suggested that the sub-committees established to oversee the divisions of the group, for example the LCC Commercial Sub-Committee, be tasked with drilling down into the divisional risk registers on a quarterly basis. This would contribute to the overall effectiveness of the risk management process.

RESOLVED (B 62/16):

To approve the Group Risk Register for 2016/17.

## 15. Audit

The Board considered the following reports, each of which were recommended for approval following scrutiny by the Audit Committee:

- Internal Audit Annual Report 2015/16
- External Audit Findings 2015/16
- Audit Committee Annual Report to the Board and Accounting Officer 2015/16
- Financial Statements for the year ended 31 July 2016
- Letter of Representation to the External Auditors for the year ended 31 July 2016
- Internal Audit Strategy 2016/17

Of the eleven areas reviewed by internal audit during 2015/16, nine had been given a green rating and two had been given amber ratings. The amber ratings related to student finance bursaries (the details of which had been reported to the Board during the year) and network vulnerability scanning. In relation to the latter, governors questioned whether some form of external validation process should be arranged; the Deputy Principal Corporate Services would discuss this outside of the meeting with Adam Beaumont (governor).

KPMG (external auditors) had issued unqualified audit opinions following their regularity audit work and their audit of the financial statements. Three recommendations had been made by KPMG, one being of medium priority and two low priority. It was noted that these had been accepted by management and would be implemented by the end of January 2017.

The Audit Committee's Annual Report confirmed the committee's overall opinion that the college did have adequate and effective audit arrangements, framework of governance, risk

management and control, and processes for securing economy, efficiency and effectiveness.

RESOLVED (B 63/16):

To approve the Internal Audit Annual Report 2015/16, External Audit Findings 2015/16, Audit Committee Annual Report to the Board and Accounting Officer 2015/16, Financial Statements for the year ended 31 July 2016, Letter of Representation to the External Auditors for the year ended 31 July 2016 and Internal Audit Strategy 2016/17.

## **16. Modern Slavery Act 2015 – Group Transparency Statement**

The Chief Financial Officer briefed governors on the requirements of the Modern Slavery Act 2015 (Transparency in Supply Chains) Regulations 2015. The Board was asked to approve a proposed Modern Slavery and Human Trafficking Statement for publication in accordance with the regulations.

In response to a query relating to the group property strategy, the Chief Financial Officer advised that necessary assurances would be sought through the procurement process.

RESOLVED (B 64/16):

To approve the Leeds City College Group Modern Slavery and Human Trafficking Statement for the year ending 31 July 2016.

## **17. Group Board Membership**

Recognising that the current systems and working practices for ‘Leeds City College Group’ needed to change if it was to grow and be successful into the future, the Board had recently discussed ways in which to create a clearer group structure and ways of working. A new group structure was subsequently agreed in July 2016 and was being implemented on a phased basis throughout 2016/17. In light of these changes, it had been agreed to carry out a skills audit of Board members with a view to appointing a number of new members in 2016/17.

Based on the skills audit carried out, it was recommended that applications be sought from individuals with an educational background and those with a background/experience in estates/property. It was noted that the needs of the new group structure needed to be taken into account as part of the recruitment/selection process.

In order to provide a level of continuity throughout 2016/17 and into 2017/18, it was recommended that governors’ terms of office due to expire in 2016/17 be extended for a period of 12 months (with the exception of staff and student governors who would be nominated/elected by staff and students respectively).

In terms of the recruitment process, governors were invited to put forward any suggested contacts from their own networks who met the specification. In addition, the Inspiring Governance governor matching service would be used to attract applications, together with a range of other methods.

RESOLVED (B 65/16):

- (a) That applications for Board membership be sought from individuals with an educational background and those with a background/experience in estates/property.
- (b) That the Chair, Chief Executive and Clerk be tasked with shortlisting and interviewing applicants and recommending preferred candidates to the Board for appointment.
- (c) That existing terms of office due to expire in 2017 be extended for a period of 12 months to provide for a level of continuity.

**FOR INFORMATION**

The Board received, for information, the rolling list of actions/matters arising from previous Board meetings. All identified actions had been or were on schedule to be completed.

The meeting closed at 9.15pm

Signed : ..... (Chair)

Date : .....