

LEEDS CITY COLLEGE

MINUTES OF THE MEETING OF THE BOARD OF GOVERNORS HELD ON MONDAY 27 FEBRUARY 2017

Present

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
Lydia Devenny	Chief Financial Officer
Gerry Godley	Principal and MD, Leeds College of Music
Melanie Halstead	Clerk to the Board
Bill Jones	Deputy Principal Teaching and Learning
Jane Pither	Deputy Principal Corporate Services

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 (governor) and Andrew Whitaker (Executive Principal, White Rose Academies Trust).

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. Shaid Mahmood declared an interest in agenda item 6c (disposal of Horsforth Campus) as an employee of Leeds City Council.

4. Minutes of the Meeting of the Board held on 19 December 2016

The draft minutes included reference to a planned Shape and Size Review of LCoM; it was agreed to amend the wording of the minutes to read as follows: *"A planned Shape and Size Review of LCoM to identify any potential for further efficiencies in delivering the curriculum."*

RESOLVED (B 01/17):

That the minutes of the meeting of the Board held on 19 December 2016 be approved and signed by the Chair, subject to the amendment outlined above.

BOARD MEMBER COMMUNICATIONS

5a. Key Statutory Areas

Health & Safety and RIDDOR

The link governor reported on a very productive meeting with the Deputy Principal Corporate Services and staff team at the Printworks Campus; the health and safety action plan continued to be monitored and was on track.

Safeguarding and Prevent

The link governor for Safeguarding and Prevent provided the following update:

- 254 safeguarding concerns had been raised in Term 1.
- 16 staff members had recently attended courses to train as designated safeguarding officers, bringing the total in the organisation to 46.
- The Head of Safeguarding and Wellbeing had carried out a review of college safeguarding arrangements with a view to refining for 2017/18.
- The Student Leeds Safeguarding Children Board, made up of college students, had been shortlisted for an award as part of the Child Friendly Leeds initiative.

SEND

The link governor for SEND reported that the college had recently been involved in an Ofsted inspection of Leeds Children's Services. The resulting report had now been received. It was noted that poor achievement in Leeds secondary schools affects the college as many of these pupils progress to college provision. Governors were also provided with an update on likely high needs student numbers in 2017/18; recruitment was looking strong and the department had started planning for an increase in student numbers.

Equality & Diversity

The Chief Financial Officer advised that, having met with the Centre for Diversity, the college was now working towards the Investors in Diversity standard. The college's annual Equality & Diversity report appeared as a separate item on the agenda for this meeting.

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. Each curriculum area had been represented at this meeting to enable the group to review progress in each area. The general feeling of the group was that whilst ownership and cultural issues were being resolved with staff and students, the data now needed to support this.

Property Strategy

It was noted that the Printworks phase 3 (large print hall) project remained on target for completion of works in May 2017. A risk had been identified in relation to asbestos in the car park area but this was being effectively managed at present. 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.

Group Structure

Governors received an update from the inaugural meeting of the Group Structure Task & Finish Group. It was noted that recommendations would be presented to the Board for approval in April, following initial discussion at the March Board meeting. The recommendations would build on the group structure proposal agreed in July 2016. At this stage, it was envisaged that the group Board would meet on a less frequent basis once sub-committees had been established for Leeds City College and Keighley College. In the meantime, the agenda for group Board meetings would more clearly separate group business from business relating to separate parts of the group.

GROUP BUSINESS

6. Group Property Strategy

(a) Major Capital Projects Update

The Deputy Principal Corporate Services presented a paper that updated governors on current projects at the delivery stage (Printworks Large Print Hall and LCoM Skyline Library). The Printworks project was reported to be on track and within budget. Construction work on the new LCoM library had commenced with a planned completion date of 30 June 2017. The only current project at the planning stage was Quarry Hill (Health Sciences and Creative and Digital Arts buildings) – a separate report had been prepared for this meeting (see below).

RESOLVED (B 02/17):

To note the current position with major capital projects at the delivery stage, those being the Printworks Large Print Hall and LCoM Skyline Library.

(b) Quarry Hill Update and Budget

The Board received a paper on the planned completion date and setting of the final budget for the Quarry Hill major capital project.

It was reported that the main construction programme was now planned to complete by June 2019, allowing for a September 2019 opening. It was planned to secure temporary accommodation for existing FE students based in LCoM to allow for planned growth in HE student numbers. Governors discussed the potential impact of the delayed opening of Quarry Hill on the launch of LCoM's new Music Theatre pathway and possible knock-on risk to Drama provision. This presented a risk to not only LCoM but also group finances should the potential risk of a twelve month delay materialise. Another risk associated with such a delay related to LCoM's position in the marketplace. The CEO/Principal advised that possible solutions for Music Theatre were currently being explored. He went on to advise that the twelve month delay in launching the new pathway equated to an income impact of c£600k. However, LCoM was currently ahead in terms of recruitment so this impact could be absorbed within the current three year financial plan.

In terms of the project budget, a draft target budget of £57m was reported. Governors were updated on the ongoing negotiations with WYG and Wates in relation to project management and construction costs. Governors expressed concern in that the target budget figure and likely additional borrowing had increased further since the December Board meeting. It was emphasised that the Board had not committed to any additional borrowing and had suggested in December that successful value engineering should negate the need for additional borrowing. Governors stressed that the affordability of any proposed borrowing would require full and careful consideration. To support this, the Chief Financial Officer presented a summary revised three year financial plan to reflect the proposed level of borrowing. Having considered the information presented governors did not feel that it was sufficiently robust to enable an informed decision to be made. Noting the deadline for signing the grant agreement (13 March), it was agreed that an extraordinary Board meeting be held on 10 March with the specific purpose of fully considering the proposed project budget and associated borrowing requirement. It was emphasised that the affordability of any proposed loan needed to be clearly articulated to enable the Board to discharge its duties. Alternative options (including cost reduction) should also be presented for consideration so that the Board could make a well informed decision on the way forward.

RESOLVED (B 03/17):

That an extraordinary Board meeting be held on 10 March 2017 to fully consider the proposed budget for the Quarry Hill project and any associated borrowing.

(Emily Chapman left the meeting at this point)

(c) Disposal of Horsforth Campus

The Deputy Principal Corporate Services presented a report seeking Board approval to dispose of the Horsforth Campus. The Horsforth Campus had been identified for disposal within the college's property strategy to provide partial funding for additional campus development (subsequently the Quarry Hill project). Planning permission had been obtained for housing on part of the site, with the remainder of the site (greenfield land) also being considered for housing through Leeds City Council's Strategic Housing Land Availability Assessment (SHLAA) process.

Bids for the whole site had been invited and seven had been received. Six of the bids had been submitted by house builders, offering a combination of arrangements for Lot 1 (the land with planning permission) and Lot 2 (the remainder). The Education Funding Agency (EFA) made the final offer as they wished to purchase the site for educational use. The planned educational use included a site for a proposed post 16 free school and, in response to questions from governors, the CEO/Principal explained the college's position in this respect. In particular, that the college would have a permanent stake in the planned sixth form development through a Memorandum of Understanding (MoU). Arising from this discussion it was suggested that the MoU be subject to legal advice to ensure that it complied with competition law.

Governors considered the results of an evaluation of the three highest bids using a Net Present Value methodology and agreed that the bid submitted by the EFA represented greater certainty and lower risk for the college compared with the uncertainties around planning and timescales associated with the house builders' bids. Because of these considerations, the option to sell to the EFA represented the best value for the college. The CEO/Principal flagged that there remained an element of risk with this option in that the proposed Free School was yet to be formally approved by the EFA.

RESOLVED (B 04/17):

To approve negotiations with the Education Funding Agency for the disposal of the Horsforth Campus on the terms set out in the circulated report, or better.

7. Group Data Dashboard and Strategic Risk Dashboard

The Deputy Principal Corporate Services introduced the group data dashboard and group strategic risk dashboard for January 2017.

Six overall indicators were presented as proxy measures on the data dashboard for indicators of growth, quality, finance, people and student voice. It was suggested that a more detailed explanation of the various segments be provided for governors. Governors were also invited to provide any further feedback to the Deputy Principal on additional areas for inclusion on the dashboard. The Deputy Principal also undertook to refer back to the feedback provided by governors at the recent strategic seminar.

The group strategic risk register consisted of nine risks, all rated as red or amber. Governors reviewed the two red risks and the mitigation plans in place and/or planned by management. These related to apprenticeship targets, group finances (cash flow) and resourcing of the property strategy.

RESOLVED (B 05/17):

To note the group data dashboard and group strategic risk dashboard for January 2017.

8. Feedback from Group Boards and Sub-Committees

(a) LCC Commercial

The Commercial Director presented a summary report on LCC Commercial activity and performance. The following key points were highlighted and discussed:

- The current end year forecast for Full Cost Courses, Projects and Contracts income was £1.5m below budget.
- 16 to 18 year old apprenticeship income was on target to achieve the 2016/17 budget.
- Adult apprenticeship income was now forecast to be £300k below budget.

A discussion took place regarding the reasons for being below the income target for adult apprenticeships and the short term actions planned to close the gap. It was estimated that the overall impact on the operating surplus and EBITDA related to failure to hit these income targets would be around minus £500k. The staffing associated with delivering the income lines had been reduced in year via the performance review process.

It was noted that work to secure contracts with large employers (levy payers) was underway but that any associated income would not be recorded until 2017/18. A contract with Sainsbury's had been secured, expected to deliver more than £3m over 2 years for up to 400 butchery apprentices, subject to a successful pilot. Governors asked that their thanks and congratulations be conveyed to the staff team involved. Other work was focused on securing two further levy contracts with the National Skills Academy Health West Yorkshire and Leeds City Council.

In terms of apprenticeship quality, it was reported that the SFA Notice of Concern would be lifted by the end of February. The 2016/17 success rate was expected to exceed 70% (compared to 59% the previous year) and timely success was also on track to show a significant increase to around 63% (57% in 2015/16).

Following the Board's strategic seminar and the LCC Commercial Sub-Committee meeting in January, the apprenticeship growth strategy was being refreshed and would include a refined vision statement, a balanced scorecard of key performance measures, SMART objectives and a 5-year market assessment. This would be presented to the LCC Commercial Sub-Committee in April. Governors stressed the need for this to take account of detailed market insight in order to inform the financial plan.

Based on its recent skills audit, the LCC Commercial Sub-Committee had identified the need to secure commercial marketing expertise on the committee. An expression of interest had been received from Mark Garrett, Director of External Affairs at the University of Bradford. The Board was asked to approve his appointment subject to him being deemed suitable following a meeting with the committee chair the following day.

A discussion took place around a perceived lack of responsiveness on the part of the Commercial Division, an example being the late signing of a contract that had resulted in renegotiation and potential loss of the FBU contract. The Commercial Director advised that the college's due diligence process was now much more rigorous but had resulted in some delays.

RESOLVED (B 06/17):

- (a) To note the current activity and performance of the LCC Commercial Division.
- (b) To request that the LCC Commercial Sub-Committee closely monitors the income between now and the year end.
- (c) That Mark Garrett be appointed as a co-opted member of the LCC Commercial Sub-Committee subject to a satisfactory meeting with the committee chair.

(b) Leeds College of Music (LCoM)

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

- LCoM's application for designation as HEI submitted on 20 February with initial feedback from HEFCE expected by 1 March.
- The group's Teaching Excellence Framework (TEF) submission had been submitted at the end of January.
- Initial discussion around the proposed group membership fee for 2017/18; further detail had been requested by the LCoM Board.
- Recruitment numbers for 2017/18 to date were very positive.
- Planned development of a Corporate Social Responsibility (CSR) policy for LCoM.

(c) White Rose Academies Trust (WRAT)

A DfE Adviser had visited each school in the Trust in January/February and governors were provided with the summary report from those monitoring visits, for information. The CEO/Principal advised that Leeds West Academy had received notification of an Ofsted inspection the following day. It was also reported that Christine Smith (governor) had been appointed as Chair of the Trust for the remainder of the current academic year.

9. Group Financial Position and Forecasts

The Chief Financial Officer presented a report outlining the financial position for the period ending 31 January 2017. Governors were pleased to note that the EBITDA position was significantly higher than budget. In response to a query from governors, the Chief Financial Officer confirmed that significant savings elsewhere in the college had offset the reductions in LCC Commercial income.

In considering the forecast outturn, governors queried the significant variance in non-pay (teaching) expenditure. It was agreed that forecasting in this area needed to be much stronger due to the potential impact on cash flow. A discussion followed regarding the frequency of reforecasting; governors were of the view that quarterly reforecasts were sufficient for business as usual but that any significant changes should be reported to the Board as and when they arise. It was agreed that, in the absence of a full bottom up reforecast, the Chief Financial Officer should provide a view on the forecast on a monthly basis, and that this be presented to the Board as a standard agenda item. A reconciliation of the forecast was also requested to aid governors' understanding.

RESOLVED (B 07/17):

To note the group financial position and forecasts as at the end of January 2017.

10. Group Audit Committee – reappointment of co-opted members

The Clerk advised that the terms of office of both co-opted members was nearing expiry; both were eligible for reappointment.

RESOLVED (B 08/17):

(a) That Jonathan Booth be reappointed as a co-opted member of the Audit Committee for a further twelve month period when his current term expires in March 2017.

(b) That Julie Drake be reappointed as a co-opted member of the Audit Committee for a further twelve month period when her current term expires in March 2017.

(Gerry Godley left the meeting at this point)

11. Self Assessment and Quality Improvement

(a) 2015/16 Self Assessment Report

Governors discussed the college's 2015/16 self assessment report (SAR). Whilst the report contained an overall effectiveness grade of Requires Improvement, it was recognised that further improvements had been made since September 2016. Many governors had participated in SAR validation sessions in November 2016 and a panel that included a current Ofsted inspector had externally validated the SAR.

Arising from discussion, governors asked that going forward the SAR be accompanied with an additional commentary highlighting for Board members the issues identified in the previous SAR and the differences in grades awarded year on year. A risk based approach to the self assessment report, quality improvement plan and post inspection action plan was also suggested to aid governors' monitoring of progress and the drive for continuous improvement; this could take the form of a dashboard with trend analysis. The Deputy Principal Teaching and Learning undertook to look into more visual ways of presenting this information to governors.

Seven departments had been assessed as grade 3 (requires improvement) at the end of 2015/16; governors queried how many of those, in the Deputy Principal's opinion, were still grade 3 as at February 2017. He advised that three departments were currently a cause for concern, those being Management & Professional, Motor Vehicle & Engineering and Access to HE. Out of a total of 27 departments, 24 improved in 2015/16 and 3 did not. It was reported that some departments were clearly Outstanding but maths and English results brought them down to Good or Requires Improvement. A separate item on the agenda provided an in-year analysis (in-year retention and progress of students).

A discussion followed regarding the college's overall trajectory, what outstanding looked like and when the college might achieve that. The Deputy Principal Teaching and Learning advised that only when the college exceeded national rates could it demonstrate it was good or outstanding. Governors queried the timescale for achieving this and the Deputy Principal advised that the college's overall effectiveness grade would be Good by the end of 2017/18.

RESOLVED (B 09/17):

To approve the college's 2015/16 self assessment report.

(b) Post Inspection Action Plan Update

The Deputy Principal Teaching and Learning presented an overview of progress towards the actions to address the key recommendations identified in the college's Ofsted inspection report of March 2016. The action plan incorporated the college's quality improvement plan, addressing issues identified through self assessment.

Good progress had been made towards the actions in the post inspection action plan. In particular:

- Provision for full time 14 to 16 year old learners had improved from Good in the Ofsted inspection to Outstanding in the 2015/16 SAR.
- Provision for students with high needs remained good with outstanding features.
- It was anticipated that provision for adults and students on study programmes would be judged as good by the end of the current academic year.

RESOLVED (B 10/17):

To note the progress made against the actions contained in the college's post inspection action plan and quality improvement plan.

12. In-Year Retention and Progress of Students

A major weakness at the 2016 Ofsted inspection had been around student target setting and monitoring of student progress. Governors therefore considered a paper detailing the progress against target to set all study programme learners minimum target grades (MTG) and to track their relative progress against these. The Deputy Principal Teaching and Learning advised that assessment boards had been introduced in 2016/17 to rate the progress of students against their MTG in all aspects of their study programme; this enabled an overall rating to be assigned to each student and interventions to be put in place, where necessary. In response to a question from governors, it was confirmed that issues with Markbook take up at Keighley had now been resolved.

An update on current in-year retention was also provided, by level and programme type. It was noted that this compared favourably with the same point in 2015/16 at 0.5% point higher.

RESOLVED (B 11/17):

To note the progress made in student target setting and monitoring and the positive in-year retention figure.

13. Equality and Diversity Annual Report

The Chief Financial Officer introduced the college's annual equality report and provided governors with a summary of progress towards the college's equality objectives. It was proposed to review the equality objectives during 2016/17 and governors tasked management with bringing forward more robust objectives. Governors suggested that the proposed objectives also be considered from a commercial perspective in terms of what good diversity would bring to the organisation and the actions required to achieve that. It was felt that the college's work towards the Investors in Diversity standard would assist.

RESOLVED (B 12/17):

To receive and note the college's annual equality report.

CONFIDENTIAL BUSINESS

(All members of the executive other than the CEO/Principal withdrew from the meeting for agenda items 14 and 15)

14. Confidential Minutes of the Meeting held on Monday 19 December 2016

RESOLVED (B 13/17):

That the confidential minutes of the meeting of the Board held on 19 December 2016 be approved and signed by the Chair.

15. Executive Leadership Team Structure

Separate confidential minutes refer.

FOR INFORMATION

The following papers were presented to governors for information:

- Group Complaints Update 2016/17
- Teaching, Learning and Assessment Update
- First Term Student Survey Report 2016/17
- Energy Procurement Methodology
- Rolling list of Group Board actions and matters arising as at February 2017

There were no questions/concerns arising from these information papers.

The meeting closed at 8.15pm

Signed : (Chair)

Date :