

**HARLOW COLLEGE FURTHER EDUCATION CORPORATION  
CORPORATION MEETING**

**Minutes of the meeting held on Thursday 10 December 2015**

Membership:	* P Taylor (Chair)	J Breen	* R Locke
	* S Adamopoulos	* C Christofides	* M Prodger
	* J Adams	* M Coleman	* B Spencer
	* N Allen	* A Durcan	* K Spencer
	* P Bartlett	* E Johnson	* M Thorne
	J Bedford	* L Jones	P Whitehead

\* denotes present

In attendance: M Stokes, Deputy Principal  
L Turner, Deputy Principal  
A Phillips, Executive Director of Finance (items 1990 and 1891 only)  
S Abdelmoula, Assistant Principal (agenda item 1894 only)  
D Sheridan, Clerk to the Corporation  
R Lucas, Deputy Clerk to the Corporation

**1885 Apologies for absence and a welcome**

Apologies for absence were received and accepted from J Breen and P Whitehead.

**1886 Declarations of Interest**

There were no declarations of interest.

**1887 Minutes of the Previous Meeting**

The Corporation approved the minutes of the meeting held on 22 October 2015 as a true and accurate record and they were signed by the Chair.

**1888 Matters Arising from the Minutes**

**1888.1 Membership of Harlow College Further Education Corporation**

The Chair reported that this would be Mike Thorne's last meeting as Governor of Harlow College, pending his retirement as Vice-Chancellor of Anglia Ruskin University in March 2016. The Chair and Governors expressed their thanks to Professor Thorne for bringing his sector knowledge and great experience to the benefit of the Board of Governors and to Harlow College. Professor Thorne, in thanks to the Governing Body and the College Executive, stated that it had been a privilege to be a Governor of Harlow College and to play a part in the success of the College and the development of its site.

The Corporation approved the recommendation of the Search and Governance Committee to reappoint Chris Christofides as Governor for four years.

## 1889 Self-Assessment Report 2014-2015 and Quality Improvement Plan 2015-2016

Governors received and considered the Harlow College Self-Assessment Report (SAR) for 2014-15 and Quality Improvement Plan 2015-2016, which was presented by Louise Turner, Deputy Principal.

Teams compiled their individual self-assessments to a specified format that was reviewed by the College Principalship. This was then considered by the Corporation at the SAR Validation Day on 22 October 2015 at which Governor and Executive panels met the teaching teams to validate judgements and assess:

- Whether effective actions had been taken or are being taken to address outstanding weaknesses?
- If the provision is improving or coasting?
- Are the strengths identified real strengths?
- The grades and content in the SAR for outcomes for learners, quality of teaching, learning and assessment, personal development, behaviour and welfare and leadership and management

Since the validation event, the SAR had been re-organised to reflect the current Ofsted style and the Quality Improvement Plan (QIP) 2015-2016 developed.

In presenting the SAR, the Deputy Principal drew attention to data on attainment rates, high grades and value added (the latter two placing Harlow College within the top 1% of Colleges in DfE performance tables published in February 2015). The overall success rate for 2014/15 was 82.3% with English and maths, and 87.7% without. Governors noted that the outcomes of GCSE English, maths and functional skills caused a 5% decline in success rates. They agreed to make English and maths a focus of any Governor learning walks planned. It was also noted that the College still ran 2-year level 3 programmes when many colleges had moved to 1-year courses, which artificially boosts success rates.

Governors reviewed the SAR and QIP. Governors discussed Apprenticeships and the need to improve the timely achievement of their full framework. They noted the range of measures put in place to improve achievement, which included commencing English and maths courses earlier at the start of the Apprenticeship.

The meeting discussed other key areas for improvement arising from the SAR and QIP. Governors noted improvements to guidance and work experience for learners to support progression to university, apprenticeships and into work. They discussed how the curriculum was being developed to ensure greater relevance to employment and the workplace. Measures for ascertaining destinations for all learners were considered. The Deputy Principal described improvement measures to target poorer teaching for improvement whilst supporting good teachers to become outstanding. Governors discussed the college English and maths strategy and questioned the Principal on its progress.

Governors discussed learner personal development; behaviour and welfare, how the college was promoting British values and implementing the Prevent Strategy. Governors requested links to enable them to undertake Prevent Training.

In response to issues regarding the student voice raised by the Student Governors, it was agreed that Jacob Adams and Luke Jones should meet with Louise Turner to

discuss the quality improvement plan and student ambassador and learner voice issues.

After full deliberation, the Corporation approved the Self-Assessment Report 2014-2015 and Quality Improvement Plan 2015-2016.

## **1890 Financial Statements for the period 1 August 2014 – 31 July 2015**

### **1890.1 To receive and approve the Annual Report of the Internal Audit Service for the year ended 31 July 2015**

The Corporation received and considered the Internal Audit Annual Report for the year ended 31 July 2015, provided by College Internal Auditors Scrutton Bland.

Governors noted that, for the year ended 31 July 2015, it is the opinion of the Internal Audit Service that the College had adequate and effective management, control and governance processes and adequate and effective efficiency, effectiveness and economy processes to manage the achievement of the College's objectives.

Governors reviewed the Summary of Findings in the Report and noted that no high risk recommendations were made during 2014/15.

The Corporation approved the Annual Report of the Internal Audit Service for the year ended 31 July 2015.

### **1890.2 To receive and approve the Annual Report of the Audit Committee**

The Corporation received and considered the Annual Report of the Audit Committee for the period 1 August 2014 to 31 July 2015.

The Corporation noted that the Joint Audit Code of Practice Audit requires the Audit Committee to produce an Annual Report. Its purpose is to "assess and provide the Governors with an opinion on the adequacy and effectiveness of the Corporation's assurance arrangements, framework of governance, risk management and control processes for the effective and efficient use of resources, solvency of the institution and the safeguarding of its assets". This is submitted to the Corporation for approval and then to the Skills Funding Agency.

In its Annual Report, the Audit Committee summarised its activities in relation to the year under review and had no significant issues to report to the Corporation. It provided a summary of the Committee's remit, terms of reference and membership throughout the year. The opinion given by the Audit Committee was based on the internal reports it had received, the unqualified opinion on the Financial Statements and Regularity Audit and other sources of assurance, including the SFA rating, in October 2014, of the College's financial health as good.

Governors decided, at this point, to bring forward for discussion the letter of the Skills Funding Agency (item 1891 appendix 2 – NB dashboards considered later under item 1892). The Principal confirmed that the letter of the Skills Funding Agency of 10 October 2014 stated that the underlying

grade for the College was 'good'. The conclusion in the recent letter dated 12 November 2015, based upon the College's financial plan for 2015-17, was that the underlying grade for Harlow College for 2015-16 was 'satisfactory'. Governors noted issues raised by the SFA on the current ratio, which was described as relatively weak for 2014/15 and 2015/16, and the requirement for monthly monitoring and submission of a revised financial plan by 28 February 2016 to enable a reassessment of financial health. The Principal identified that the SFA would reassess the College's financial health on receipt of the end of year statements for 2014/15. These statements currently showed a rating of 'good' for 2014/15.

Governors discussed the financial health of the College and noted that for 2015-16 a budget was set with a health rating of satisfactory to allow money to be spent to redevelop the campus. The Principal confirmed the College's current ratio, judged relatively weak, is at 0.5, however if the College's ratio was 0.6 or higher, it would be classed as good. The calculation of the current ratio was discussed. Governors endorsed the need for growth in full cost income and the Principal confirmed that the College recognises the importance of growing its project and full cost work.

The Principal agreed to contact the SFA to ascertain how the monthly management accounts are reviewed and how the surplus for the year end 31 July 2015 may impact upon the reassessment. Governors asked to be updated when this information is known.

The Corporation noted that the Audit Committee met in private with the internal and external auditors on 3 December 2015 and no issues impacting upon matters of internal control were raised. RSM UK did not identify any matters of impropriety throughout their audit work to bring to the attention of the Audit Committee.

After consideration, the Corporation requested that the date of the SFA letter confirming the College's financial health rating as good, ie 10 October 2014, be added into the Annual Report of the Audit Committee for clarity.

The Corporation endorsed the Audit Committee's opinion as follows:

That, based on the reports it has received and considered, and drawing upon the knowledge and expertise of its members and its audit services, supported by the work and views of College management, during 2014-15 Harlow College:

- had adequate and effective systems of governance;
- had adequate and effective risk management systems;
- had adequate arrangements for securing economy, efficiency and effectiveness;
- had adequate and effective key internal controls;
- had, overall, systems and controls that are adequate and effective for carrying forward the objectives of the college.

The Corporation approved the Annual Report of the Audit Committee for 2014/15 and agreed for it to be signed by Paul Bartlett, Chair of the Audit Committee.

### **1890.3 To receive and approve the Audit Findings Report for the period to 31 July 2015 and the Letters of Representation**

The Corporation received and considered the Audit Findings Report for the year ended 31 July 2015 and the letters of representation.

Governors noted that the report had been considered in detail at the Joint Audit and Resources Committee meeting and Governors noted the following points:

- The report provides two positive opinions, stating that:
  - The financial statements give a true and fair view of the state of the Groups' and the College's affairs as at 31 July 2015 and of the Group's surplus of income over expenditure for the year then ended and have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.
  - No regularity or propriety issues were identified.
- The auditors raised a number of issues of process and the timeliness of information received from the Finance team but not any issues of financial irregularity. These recommendations will be added to the audit tracker and monitored by the Audit Committee.
- Joint tenants is an on-going issue, particularly around inter-company debt. The Corporation received an update on the current position and noted that the College has contracted with RSK UK to resolve this issue. The joint tenant arrangements were the funding bodies' preferred mechanism in 1996-97 and the College has evidence from Customs and Excise that it was satisfied with the arrangement.
- There are still some items outstanding from RSM UK and a review of these is taking place.
- There has been some delay in the completion of the audit due mainly to the new finance system, new staff in the Finance Team and maternity leave.

The Corporation reviewed the letters of representation.

The Corporation approved the Audit Findings Report for the period to 31 July 2015 and the Letters of Representation for the Financial Statements and the Management Letter for the Regularity Audit for the year ended 31 July 2015 and agreed for them to be signed by the Chair and the Principal.

### **1890.4 To receive and approve the Operating and Financial Review 2014/15 & 1890.5 To receive and approve the Financial Statements 2014/15**

The Corporation received and considered jointly the Operating and Financial Review and the Financial Statements for 2014/15.

Governors noted that the Operating and Financial Review follows an SFA published model and contains a range of priorities for the College, details on the Strategic Plan, future developments for the College and Governor attendance figures and that the review and financial statements had been considered in detail at the Joint Audit and Resources Committee meeting.

Governors reviewed the Operating and Financial Review and the Financial

Statements and noted the following:

- The College exceeded the surplus target that was set and therefore made a 0.5% unconsolidated pay award to all staff. After this pay award was accounted for, the final surplus figure was £678k.
- This surplus will be used for capital investment.
- There are no substantive differences between the provisional outturn presented to the Corporation on 22 October 2015 and the financial statements.
- A Phillips offered a briefing on FE finance for Governors.

The Corporation approved the Operating and Financial Review and the Financial Statements for 2014/15 and agreed that they should be signed by the Chair and the Principal and sent to the Skills Funding Agency.

### **1891 Management Accounts for the period 1 August 2015 – 31 October 2015**

The Corporation received and considered the management accounts for the period 1 August 2015 – 31 October 2015, presented by M Stokes, Deputy Principal and A Phillips, Executive Director of Finance.

A detailed discussion was held around the management accounts and Governors noted the following:

- The College is predicting its financial health to be good by the end of the financial year.
- The key ratios indicate what the College needs to achieve for its financial health to be rated good.
- The actual cash flow is in-line with the forecast and the College is predicting to be in a reasonable cash position in February and March 2016, with no overdraft required.
- Both banking covenants are being met. The methodology for calculating test 1 was explained to Governors and Governors noted that discussions are taking place with the bank to devise a different methodology for this test.
- There has been an increase of creditors being paid within 30 days (currently 81.2% year to date) and the College's target for this is 100%.
- Although the Government's Comprehensive Spending Review protected the base rate of £4k for 16 – 18 year olds, it is expected there will be further budget reductions, as other elements of the funding formulas are considered. There remains some uncertainty over adult funding.
- The highest risk on the College's risk register remains Government's funding policy as the sector is still awaiting more detail on budgets from the Government.
- 19 – 24 year olds are now eligible for a loan for qualifications at Level 3 – 6 and for professional and technical qualifications.

The Corporation noted and approved the management accounts for the period 1 August – 31 October 2015.

### **1892 Key Performance Indicator and Targets**

The Corporation received and considered the report on key performance indicators (KPIs) and targets, presented by Karen Spencer, Principal.

The Principal reminded Governors that the overall College strategy and KPIs for 2014/15 were set and agreed by the Corporation. Governors noted that many of the KPI targets and performance to date had been covered in agenda item 1889 – Self-

## Assessment Report 2014-15 and Quality Improvement Plan 2015-16.

A discussion was held around the KPIs for 2014/15 and Governors noted the following:

- The financial targets, which are monitored by the Resources Committee.
- Quality issues are critical and there is a focus on overall retention, particularly in relation to two year programmes. A balance is needed between retaining students and their achievement of a full extended diploma and the associated value added.
- There is a need to improve English and Maths, apprenticeships and teaching, learning and assessment.
- The overall income earned has ensured that the College has retained a good financial position, but there is likely to be a significant reduction in funding on an on-going basis. Whilst income is reduced, there are significantly higher expectations and demands placed on FE colleges to run study programmes.
- Student satisfaction ratings show that the College needs to focus on student views on 'what to do next'. There has been a slight overall dip in student satisfaction by 0.03%.
- Final figures need to be reviewed to ensure that they match the SAR and financial statements, such as surplus, apprenticeships etc.

Governors attention was brought to the SFA's financial and quality dashboards and noted the following:

- The finance statistics are based on forecasts.
- Auditors have not historically allowed the College to show all income from the EFA as income earned, preferring it to be classed as a liability ie likely to be clawed back and this has a negative effect on the College's current ratio. This is now being addressed with auditors.
- The percentage of staff costs as a proportion of the College's income is high and above the national average, however the College does not sub-contract out a large amount of its provision, something that distorts the percentage of staff costs in some other colleges. However, measures will be put in place to reduce the staff cost.
- The amount of borrowing as a percentage of total College income is healthy and classed as being between good and outstanding, with outstanding being 20% or below and good being between 20% and 40%.
- The quality information on the dashboard is out of date as it is based on 2013/14 figures, however Governors have received the 2014/15 figures in the SAR.
- In 2013/14 the College decided to cease delivery of Level 1 qualifications to its Level 3 students.
- The Government has moved away from success rates and is now focusing on outcome based success measures, including progress, attainment and destinations.
- There is evidence that the FE sector is delivering successfully to the unemployed, with 43% moving into sustained employment, classed as working for five out of six months in the following year.
- The College fell slightly short of its full cost and project work target, partly due to the delay in the launch of ESF funding. This will affect project/full cost income for 2015/16 also.
- English and Maths is a continuous focus for the College and a progress measure is under consideration.

A detailed discussion was held around destination data. There are no national targets or data on destinations. The College is actively collecting destination data for

summer leavers and managers and teams have been tasked with obtaining this information. The hardest data to collect is that for the College's unemployed adult learners, where data collected by the Department for Work and Pensions is not shared with the College. Governors agreed that the College should aim for a higher response rate and that the targets should be amended as follows:

- 100% intended destinations for 16 – 18 year olds
- 70% actual destinations for 16 – 18 year olds
- 30% actual destinations for the unemployed.

The KPIs for 2015/16 were noted and Governors were reminded that it is a live document which will be regularly updated. Governors agreed that at present nothing was required to be added to the KPIs.

There is increased scrutiny of colleges by the SFA and the FE Commissioner and the College needs to ensure it is as well-placed as possible.

The Corporation noted the report on key performance indicators and targets.

### **1893 Strategic Area Reviews**

The Corporation received and considered the report on strategic area reviews, presented by K Spencer, Principal and the letter from the FE Commissioner.

The Principal reported that Essex's strategic area review is scheduled to take place in November 2016 as part of wave 5. It is envisaged that more information on what is happening nationally will be available by then: at present more comprehensive information is required to support discussions at Corporation level. Once further information has been received, a strategic planning conference is proposed.

The College is currently working with the Federation of Essex Colleges, the AoC and the Responsive College Unit and is developing a data pack including information on the College, learner numbers, intake, labour market information, travel-to-learn patterns and analysis of institutions around the Essex borders. Governors noted the information contained within the report and the distances from Harlow College to other FE colleges, along with the information drawn from SFA data on the size of Essex colleges and their income and surplus / deficit.

Governors received and noted the letter from the FE Commissioner which contained information on common themes being looked at in the early strategic area reviews.

A discussion was held around specialist colleges and Institutes of Technology and the Corporation agreed that there is currently insufficient information available on these initiatives for Governors to make an informed decision or judgement on these institutions.

The Corporation agreed that the Principalship should explore potential options and partnerships for the College to best prepare itself for the strategic area review and that a strategic planning event be held early in 2016.

The Corporation noted the report on strategic area reviews.

### **1894 Equality and Diversity Annual Report 2014/15**

The Corporation received and considered the Equality and Diversity Annual Report



for 2014/15, presented by S Abdelmoula, Assistant Principal.

S Abdelmoula highlighted the main points within the annual report. Governors noted that:

- There has been a 4% increase in the number of College managers from a BME background and this is 3% above the level represented in the local community.
- There are some gaps in achievement for some of the College's most vulnerable learners, such as looked after children, those on free school meals and high needs learners and the College is working hard to address this.
- The College is continuing to build on its community links and has representation on organisations such as Harlow Ethnic Minority Umbrella Group., the Independent Advisory Group and the Disabled Engagement and Empowerment Group.
- The profile of Prevent has been raised through staff training and inclusion and tolerance is being addressed with students through tutorials.
- Key staff have been identified to represent the protected characteristics and students are aware that they are able to go to these staff at any time.
- The College will continue to work on the equality and diversity themes and the action plan from 2016 onwards.

It was noted that there was no mention of the composition and breakdown of the Corporation in the report and it was agreed that this would be included in future reports.

The Corporation approved the Equality and Diversity Report for 2014/15.

## **1895 Health and Safety Report 2014/15**

The Corporation received and considered the Health and Safety Report for 2014/15, presented by M Stokes, Deputy Principal. Governors noted that the UTC learners should not have been included in the report as the College is not legally responsible for the health and safety of the UTC learners and that the UTC needs to have its own nominated first aiders.

Governors noted that the number of accidents has decreased whilst the number of students and staff on campus has increased. The highest number of accidents is in the hospitality and catering area and this is largely due to burns and cuts.

A detailed discussion was held around student pregnancy rates. Whilst the overall figure has not increased above that for 2013/14, the numbers of young women aged 16-18 becoming pregnant has doubled. This year has seen a reduction in the hours that the Contraception and Sexual Health NHS facility is available for students, although it was noted that the pregnancy rates reflect a lack of specialist provision in general and not just in the College. If the College chose to deliver the CASH service itself, funds would have to be diverted from front line direct delivery staff. A number of students joined the College this year who were already pregnant. It was acknowledged that there is a lack of sexual health knowledge amongst young people and that they are being let down by the lack of information and local facilities. Sexual health is included within induction, however staff are not specialists in this area. A specialist package to be used in tutorials will be considered.

There have been six emergency evacuations during 2014/15, none of which required the fire brigade to attend. The zoned fire alarm system is working well.

The Corporation noted the Health and Safety Report for 2014/15.

## **1896 Governor Training and Development**

Governors noted that the Search and Governance Committee agreed to continue the academy learning walks this academic year. R Lucas informed Governors that she would be contacting them to arrange the learning walks early in 2016.

Brian Spencer attended the Advanced Manufacturing Working Party meeting and a car park meeting between the College and the Sports Trust.

Jacob Adams attended the ACER Student Governor Induction session and gave an overview on what the session covered. He has been working with an Assistant Principal, the Student Voice Officer and Luke Jones on reforming the student voice system and is looking to take a more active role in promoting the College and his roles in College on social media.

Sotiri Adamopoulos has arranged for a Holocaust survivor to come into College to talk to students and an invitation will be sent to Governors.

Luke Jones reported on the work being undertaken to increase student ambassador numbers with the aim of having two representatives from each area (currently there is one from each area). A meeting has taken place with the ambassadors to get them more active in their role.

Paul Bartlett attended the Heart for Harlow awards ceremony where the College won the award for best use of social media and the YCT apprentice, a student of the College, was Apprentice of the Year.

## **1897 Reports from Committees**

### **1897.1 Audit Committee – 3 December 2015**

The Corporation received and noted the minutes of the Audit Committee meeting held on 3 December 2015.

### **1897.2 Resources Committee – 3 December 2015**

The Corporation received and noted the minutes of the Resources Committee meeting held on 3 December 2015.

Governors noted that an Advanced Manufacturing Centre meeting had been held with Essex County Council and the Local Enterprise Partnership. The overall cost of the project is £5,029k and the College will meet the additional £29k. The BREEAM rating for the centre will be 'very good' rather than 'excellent' as originally specified. The Resources Committee will continue to monitor the project along with the AMC Working Party.

### **1897.3 Joint Audit and Resources Committee – 3 December 2015**

The Corporation received and noted the minutes of the joint Audit and Resources Committee meeting held on 3 December 2015.

### **1897.4 Standards Committee – 9 December 2015**

The Corporation noted that the minutes of the Standards Committee meeting held on 9 December 2015 will be presented at the next Corporation meeting on 17 March 2016.

**1898 Any Other Business**

K Spencer thanked M Thorne for his continued work and support for the College and the Corporation wished him a long and healthy retirement.

The Corporation congratulated Nishall Garala, student governor 2013-2015, on being named runner-up in the Association of Colleges Student of the Year award. Governors agreed that this was a thoroughly deserved award for Nishall recognising his hard work as a student, his dedication to Harlow College and his service to the Harlow Community.

**1899 Dates of Future Meetings**

Spring Term	Thursday 17 March 2016	08.30am
Summer Term	Thursday 19 May 2016	08.30am
	Thursday 14 July 2016	08.30am