

HARLOW COLLEGE FURTHER EDUCATION CORPORATION**CORPORATION MEETING****Minutes of the meeting held on Thursday 11 July 2019 - 8.30am – Harlow College**

Membership:	* P Taylor (Chair)	* J Breen	* R Levy
	* S Adamopoulos	* R Bristow	* L Lin
	* P Bartlett	C Chatt	G Onyesoh
	* J Bedford	A Durcan	* B Spencer
	J Bouffler	E Johnson	* K Spencer
* denotes present	E Boys	* L Laycock	G Wootton

In attendance: W Allanson, Deputy Principal
 B Jones, Vice-Principal
 P Whitehead, Vice-Principal
 D Morgan, Executive Director – Finance and Facilities
 D Sheridan, Clerk to the Corporation
 R Lucas, Deputy Clerk to the Corporation

2160 Apologies for absence

Apologies were received from J Bouffler, E Boys, C Chatt, A Durcan, E Johnson, G Onyesoh and G Wootton.

2161 Declaration of Interests

There were no additional interests declared beyond those already made known to the Corporation.

2162 Minutes of the Previous Meeting

P Taylor informed the Corporation that the meeting was D Sheridan's last meeting. On behalf of the Corporation, P Taylor thanked D Sheridan for her commitment and hard work and for the support she had given him and the Corporation throughout her time at Harlow College.

The minutes and the confidential minutes of the meeting held on 15 May 2019 were approved by the Corporation as a true and accurate record and were signed by the Chair.

2163 Matters Arising from the Minutes

There were no matters arising from the minutes.

2164 Membership of Harlow College Further Education Corporation

D Sheridan reminded the Corporation that J Bouffler had been appointed for a period of three years and the Search Committee recommended the reappoint J Bouffler for a another year to bring his term of office to four years, in line with all

	<p>other Governors.</p> <p>The Corporation agreed to appoint J Bouffler for a further year up to 13 July 2020.</p> <p>The Corporation was informed that nominations are being gathered for student governors for 2019 – 2020 and they will be appointed by the student ambassadors.</p>
2165	Governor Training and Development
	<p>R Levy attended the STAC Student Awards Ceremony.</p> <p>L Lin attended the AoC conference, the Harlow Student Awards Ceremony and the STAC Student Awards Ceremony.</p> <p>L Laycock attended the Safeguarding Committee meeting, the College Fashion Show, the RSM Workshop on Board Assurance Framework and the Harlow Student Awards Ceremony.</p> <p>R Bristow attended an All Party Parliamentary Group meeting.</p> <p>P Taylor has continued to have regular meetings and communications with the College.</p> <p>R Lucas informed Governors of training that will be available through the ETF and will circulate details to all Governors.</p> <p>L Laycock informed Governors that the ETF were running a webinar for Governors on the new Education Inspection Framework and R Lucas agreed to circulate details of this to all Governors.</p>
2166	Final Strategic Plan
	<p>The Corporation received and considered the report on the final strategic plan, presented by K Spencer, Principal and W Allanson, Deputy Principal. Governors were informed that the final strategic plan is in line with what had been previously presented to the Corporation and what addressed the changes requested by Governors.</p> <p>Governors noted that a strategic summary had been added in, setting out the College's values and intentions and that the document sets out what has been achieved and what the College plans to do moving forward.</p> <p>The Corporation noted the proposed structure for the key performance indicators for 2019-2020.</p> <p>R Bristow reported that the strategic summary was exactly he requested at the last</p>

	<p>Meeting and provides an excellent summary.</p> <p>L Laycock confirmed that the proposed key performance indicators were a good set to be working from.</p> <p>R Bristow asked if there was a particular level of education which the College wants to focus on most. Management replied that the levels cannot be separated and that the College wants to offer progression through every level, with step on and step off points available at each level. Governors agreed that a statement reflecting this should be included in the plan.</p> <p>P Bartlett asked if this plan replaced the “GO FOR IT” plan. B Jones reported that “GO FOR IT” will remain with new key performance indicators added in and will sit alongside the new strategic plan.</p> <p>W Allanson reported that the plan and the key performance indicators are aligned to Ofsted’s new Education Inspection Framework and the College’s strategy to become Ofsted outstanding.</p> <p>The Corporation approved the final strategic plan and the headings for the key performance indicators.</p>
2167	<p>Self-Assessment and Quality Improvement Processes 2019-20</p>
	<p>The Corporation received and considered the report on self-assessment and quality improvement processes 2019-20, presented by B Jones, Vice-Principal. B Jones informed Governors that the College had responded to feedback from Ofsted on its self-assessment and quality improvement processes from which a new way of working has been scoped, aligned to the new Education Inspection Framework.</p> <p>The College is moving away from producing a self-assessment report in the usual format and giving more ownership to individual teams and academies. A self-assessment day will take place in August 2019 for every team to self-assess where they are at and from which team targets will be set based on the College’s overall key performance indicators.</p> <p>Each team will complete a team health check and SMART actions included in the health check document will follow through automatically into the team’s quality improvement plan, where overarching actions will be broken down into SMART targets and steps needing to be taken to achieve the targets. The health check will be completed by each team on a termly basis and will feed into the College’s overall quality improvement plan.</p> <p>L Laycock reported that a detailed discussion was held at the Standards and Curriculum Committee meeting held on 18 June 2019 and that whilst tweaks will no doubt still need to be made to the documents, feedback from the Committee has been included in the revised set of templates. L Laycock and R Bristow indicated they would be keen to attend the self-assessment day.</p>

	<p>L Laycock asked if there was any reward for teams achieving gold for all standards. K Spencer reported that teams could be recognised as part of the staff awards ceremony.</p> <p>L Laycock reported that the new format would allow teams to have better ownership of the documents and would drive the College's Ofsted outstanding agenda forward.</p> <p>P Taylor asked what Ofsted would think of the new format for self-assessment. W Allanson reported that Ofsted, during their inspection in January 2019, questioned the value of the self-assessment report and the quality improvement plan in the format they were in at the time and asked whether alternative formats would be more valuable to the College. The key would be to demonstrate the impact of the new processes and to prove they were working for the College.</p> <p>P Taylor reported that termly reviews would allow any trends to be identified early.</p> <p>R Bristow asked if there were any examples of best practice identified in the sector for self-assessment and quality improvement processes and B Jones reported that the College has liaised with another college to look at how they have changed and implemented new processes.</p> <p>The Corporation noted the report on self-assessment and quality improvement processes for 2019-20.</p>
2168	Management Accounts for the period 1 August 2018 – 31 May 2019
	<p>The Corporation received and considered the management accounts for the period 1 August 2018 – 31 May 2019, presented by D Morgan, Executive Director – Finance and Facilities.</p> <p>D Morgan reported that there has been significant movement in the management accounts since the last Corporation meeting and that the surplus at the end of May is higher than originally budgeted. This is due to the valuation of the jet at STAC. Following on from discussion with the College's auditors, the revised value of the jet in the accounts is £250k. P Bartlett reported that the value of the jet has no impact on the College's cash position and that this should be referred to in the financial statements. D Morgan confirmed that a separate disclosure could be made in the accounts to reflect this.</p> <p>Governors were also informed that there is provision in the accounts for the LGPS however the year-end valuation will not be known until August 2019. K Spencer highlighted the enhanced pension provision and the age discrimination case which was recently in the press and Governors noted that this will not have a significant impact on the College.</p> <p>Governors noted the on-going issues and impact of the lagged funding methodology for learners at STAC.</p> <p>Governors also noted that the bank covenants are being met and are forecast to be</p>

	<p>met at year-end and the College’s ESFA financial health rating is good.</p> <p>P Taylor informed Governors that the management accounts were challenged thoroughly at the Resources Committee meeting held on 24 June 2019 and that changes to the format of the management accounts will be made in order for Governors to better understand the cash position of the College. P Whitehead further explained that the monthly management accounts had generated a number of questions from Governors and that work will be undertaken on the presentation of the management accounts to better demonstrate the College’s cash and accounting surpluses, along with references and comments being added in against different lines in the accounts. P Whitehead reported that the College will be much clearer in the disclosures in the financial statements to demonstrate the College’s actual and cash position. P Bartlett offered to assist the finance team with the revised format of the management accounts.</p> <p>P Bartlett asked how the questions raised on the accounts by Governors between meetings will be recorded and R Lucas is looking into the best way of doing this. P Taylor informed Governors that there is a need to be cautious over the levels of questioning and reminded Governors of their strategic, not management, role in the monitoring of finances.</p> <p>R Bristow asked how confident management were of the forecasts to the end of the financial year. P Whitehead reported that the monthly forecast process is commencing imminently and that due to further work that has been undertaken, the College is confident with its prediction for achieving the AEB forecast.</p> <p>The Corporation noted the management accounts for the period 1 August 2018 – 31 May 2019.</p>
2169	Two Year Financial Forecast 2019 – 2021 and Draft Budget 2019 – 2020
	<p>The Corporation received and considered the two year financial forecast 2019 – 2021 and the draft budget 2019 – 2020, presented by D Morgan, Executive Director – Finance and Facilities. D Morgan reported that the financial plan is an ESFA template with a two year forecast and explained how predications and assumptions are made.</p> <p>Governors were informed that the forecasts, budgets and monthly management accounts are reviewed by the finance team, then by the strategic finance group, then by the Principalship and then the Executive.</p> <p>Governors noted that the most significant cost to the College is staffing and that these costs are being worked through with the delivery teams, looking at staff costs to income ratios. All other costs are also considered and interrogated.</p> <p>Governors were informed that the two year financial forecast and draft budget was discussed in detail at the Resources Committee meeting held on 24 June 2019 and that the draft plan puts the College in a position where good financial health is maintained, the College is classed as a going concern and that the bank covenants continue to be met.</p>

P Bartlett asked what the College's position was in terms of the uncertainty with the TPS. P Whitehead confirmed that the College had received confirmation from the ESFA that funding to cover the increase in contributions will be issued for next financial year. The calculation, however, is based on staff numbers in 2017 – 2018 therefore the funding available will not cover the full cost to the College and a provision has been put into the accounts to cover the shortfall. Assumptions have been made in the second year of the forecast that funding will be made available again however the sensitivities have assumed it is not covered and indicates that the College's financial health will go from good to requires improvement if funding is not made available. Governors were informed that this approach was endorsed by the Resources Committee at its meeting on 24 June 2019. J Bedford asked if the previous year's shortfall had been covered and P Whitehead explained that it had not due to the lagged funding methodology. D Morgan reported that the College will receive an initial six month payment which will then get reviewed before the second payment is made.

P Whitehead reported that a discussion had been held with the Resources and the Audit Committees about holding a single item joint meeting of the two committees in June to discuss the financial forecasts and draft budget. This would allow both committees to interrogate the forecasts and test the assumptions made before they are presented to Corporation for approval. The Corporation agreed to this approach.

D Morgan provided Governors with an update on the UCH building being gifted to the College and the value of the building has been shown as a non-cash item in the accounts. D Morgan also highlighted the uplift in the accounts for the new intake at STAC and that the increase in staff costs and the allowance for an increase in LGPS costs.

Governors' attention was brought to the statement of cashflow which looks at the cash that is generated in-year. The College constantly monitors its cash position and Governors were informed that the College is generating cash and this is used for capital investment across the College.

Governors noted the financial planning checklist and the assumptions that had been made as part of the financial planning process. Governors noted that they were aware of all the matters listed in the checklist.

P Whitehead reported that a letter was submitted to the ESFA detailing the issues the College faces with the lagged funding methodology for STAC and the letter of comfort issued by the ESFA. The ESFA has acknowledged that there are issues with their processes which they will review and has confirmed that the College could formally request early release of funding if it is needed for cash flow purposes. The College has challenged part of the process and is waiting on the outcome.

The Corporation approved the following:

- The two-year financial forecasts and for them to be signed by K Spencer, Principal, and to be submitted to the ESFA by 31 July 2019.
- The draft budget for 2019 – 2020.
- An overdraft for the period October 2019 to March 2020.

2170	Governance Issues	
	2170.1	<p>The Ten Characteristics Stated in the FE Commissioner’s Letter</p> <p>The Corporation received and considered the report on the ten characteristics stated in the FE Commissioner’s letter, presented by D Sheridan, Clerk to the Corporation. D Sheridan highlighted that the report maps what the College is doing to ensure it meets the ten characteristics.</p> <p>P Taylor asked if this would be a useful document to present to Ofsted during an inspection. D Sheridan stated that it would be more beneficial to demonstrate what the College is doing to the FE Commissioner and funding agencies. P Whitehead confirmed that the College reflects on issues raised by the FE Commissioner in his intervention reports and communications and takes action where required to improve systems and processes across the College.</p> <p>The Corporation noted the letter from the report on the ten characteristics stated in the FE Commissioner’s letter.</p>
	2170.2	<p>Standing Orders 2019 - 2020</p> <p>The Corporation received and considered the Standing Orders for 2019 – 2020, presented by D Sheridan, Clerk to the Corporation.</p> <p>Governors were informed that the Standing Orders remain as for 2018/19 and that each Committee had reviewed its terms of reference. D Sheridan highlighted the proposed changes to the Standards and Curriculum Committee’s terms of reference and confirmed that the proposed changes to the Audit Committee’s terms of reference reflect the Audit Code of Practice. Governors were also informed that the proposed changes to the Remuneration Committee’s terms of reference reflect the requirements of the Senior Post Holder Remuneration Code.</p> <p>Governors reviewed the Scheme of Delegation.</p> <p>The Corporation approved the Standing Orders for 2019 – 2020, the Committees’ Terms of Reference and the Scheme of Delegation.</p>
	2170.3	<p>Code of Conduct</p> <p>The Corporation received the Code of Conduct, presented by R Lucas, Deputy Clerk to the Corporation. R Lucas informed Governors that the Code of Conduct has been updated by the College’s solicitors and details the expectations of Governors and the Corporation with regard to conduct.</p> <p>The Corporation agreed to adopt the Code of Conduct and Governors individually signed the declaration contained with the Code.</p>

2171	Reports from Committees	
	2171.1	Search Committee – 9 May 2019 The Corporation received and approved the minutes of the Search Committee meeting held on 9 May 2019.
	2171.2	Resources Committee – 9 May 2019 and 24 June 2019 The Corporation received and approved the minutes of the Resources Committee meetings held on 9 May 2019 and 24 June 2019.
	2171.3	Standards and Curriculum Committee – 18 June 2019 The Corporation received and approved the minutes of the Standards and Curriculum Committee meeting held on 18 June 2019.
	2171.4	Audit Committee – 1 July 2019 The Corporation received and approved the minutes of the Audit Committee meeting held on 1 July 2019.
	2171.4.1	Internal Audit Strategy The Corporation received and considered the internal audit strategy for 2019 – 2020. Governors were informed that this was discussed by the Audit Committee and R Lucas confirmed that the requested changes to the audit plan had been made. The Corporation approved the internal audit strategy for 2019 – 2020.
	2171.4.2	Review of the Risk Register and Risk Management Policy The Corporation received and considered the College’s Risk Register and Risk Management Policy. Governors were informed that the Risk Register was discussed in detail at the Audit Committee meeting and that there are no proposed changes to the Risk Management Policy. The Corporation approved the Risk Register and the Risk Management Policy.
2172	Any Other Business	
	There were no items of any other business.	
2173	Dates of Future Meetings	
	The Corporation received the Calendar of Meetings for 2019 – 2020 and were asked to inform R Lucas of any potential issues with the dates. R Lucas will send out calendar invites after 17 July 2019.	

