

**HARLOW COLLEGE FURTHER EDUCATION CORPORATION
CORPORATION MEETING**

Minutes of the meeting held on Thursday 14 March 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
L Turner, Deputy Principal
P Whitehead, Vice-Principal
B Jones, Vice-Principal
D Morgan, Executive Director – Finance and Facilities
D Sheridan, Clerk to the Corporation

2135 Apologies for absence

Apologies were received from Jon Bouffler, Emma Boys and Gail Wootton. Ruth Lucas, Deputy Clerk also sent her apologies.

2136 Declaration of Interests

Paul Taylor informed Governors that he is an employee of a business that operates from Stansted Airport with an Apprentice at Stansted Airport College. There were no other interests declared beyond those already made known to the Corporation.

2137 Minutes of the Previous Meeting

The minutes of the meeting held on 17 December 2018 were approved by the Corporation as a true and accurate record and were signed by the Chair.

2138 Matters Arising from the Minutes

There were no matters arising from the minutes.

2139 Election of the Vice-Chairs of the Corporation

The Corporation elected Liz Laycock and Paul Bartlett as Vice-Chairs of the Corporation.

2140 Management Accounts for the period 1 August 2018 – 31 January 2019

2140.1 Governors received and considered the management accounts for the period 1 August 2018 – 31 January 2019 presented by Deanne Morgan, Executive Director – Finance and Facilities.

Governors noted that the accounts are based on the forecast plan as approved by the Corporation in July 2018. The current year end forecast surplus is £21k, which is below the budget target of £170k. This is mainly due to forecasting an increase in Local Government Pension Scheme (LGPS) costs as a result of the high service costs in 2017/18. The higher costs arose from the full year impact of auto-enrolment, taking catering and cleaning services in-house and also market factors including life expectancy, increased service charges and the performance of the pension scheme investment.

The Principal reported that there are to be changes to the Teachers' Pension Scheme (TPS) with increased costs of 23%. There is an indication from the Department for Education that the Treasury will cover the costs to March 2020 but there is no indication of support beyond then.

Governors discussed the situation regarding the LGPS and the TPS and noted that the LGPS situation affects all Essex Colleges whilst the TPS increases will impact upon the whole FE sector and schools. The Board was informed that the notification of the LGPS costs was given in August, after year end. Deanne Morgan explained how the college was engaging with the pension process to seek better understanding of the risks involved. This included gaining advice from the external auditors RSM about challenging the LGPS costs. It is the intention of the College to build up a greater surplus to cover the risks arising from increased pension costs however this will be reflected in future financial forecasts.

The Board noted measures to reduce expenditure were in place to reduce expenditure. Further Education funding nationally had been static for at least 5 years with no increase in funding rates per learner. It is unlikely to increase until a Government Spending Review was concluded. Adult Education Budget funding had become harder to earn as there are fewer unemployed adults to requiring support to return to the labour market. It would be necessary for the FE sector to lobby for an adult entitlement to training to level 3 again. Exam cost expenditure had increased, particularly arising from funding increased GCSE and Foundation Skills English and maths costs. Governors noted that the current ratio score has fallen due to less than expected income from the AEB, which will impact the year end cash position. Financial health however remains "Good" and bank covenants were met.

In questioning managers, Governors stated that they understood the strategic challenges faced by the College. There were however some areas of spend that were above budget and managers were asked to explain this. The Board was told of the need for additional expenditure to support the start-up of Stansted Airport College (STAC), costs that could not be foreseen at the planning stage and that in many cases were one-off. This was compounded by the fact that 37 students who joined STAC after 1 November 2018 were not being funded by the ESFA this year, with a negative impact of £180,000. Lagged funding should mean that they will be funded in subsequent years. A request to the ESFA for a Letter of Comfort

to secure additional funding for 266 learners aged 16-19 for 2019/20 following the year 1 intake of 264 learners in 2018/19 is under preparation. This would bring the total number of funded learners at STAC to 530.

The Principal confirmed that the College was doing all it could to reduce costs and make savings and she thanked staff who were doing all they could to support the situation. She stated that the College is acting proactively to deliver skills and support employers so it was regrettable that it was penalised by ESFA funding. Of the 262 FE Colleges in England, only 42 were meeting the FE Commissioner's finance benchmarks, according to the AoC. Harlow College was one of the 42.

Rod Bristow asked if the Management Accounts could include an additional column to give details to show prior year expenditure. Deanne Morgan agreed to incorporate this in future accounts.

The Corporation noted the forecast position in terms of financial health and banking covenants

The Principal updated Governors on negotiations with the Unions on the pay award for 2018/19, with respect to planned strike action. In addition to the 1% pay award already made, the Board approved the following offer and contractual change:

- a) 0.5% over 4 months (Apr-July) unconsolidated
- b) 1 additional day's leave in the current leave year
- c) Up to 3 days' additional leave during the Christmas economic closure. This would be on-going and would result in a contractual change for staff.

Governors noted that a meeting with all staff was planned. Senior Managers were also meeting with UCU. An update will be made to the next Board meeting.

2140.2 The Corporation agreed to renew the annual facility with the Clydesdale Bank from April 2019 and authorised the Principalship to sign the documentation.

The Corporation approved an increase in the College credit card limit from £35k to £40k with immediate effect and authorised the Principalship to sign the documentation.

2141 Principal's Report

The Board received the Principal's Report, presented by Karen Spencer which covered the College's recent Ofsted inspection, Safeguarding and Prevent and the College's new Strategic Plan.

The College's Ofsted report was published on the 6th March 2019. The report confirmed the College as Good for Overall Effectiveness and Good in every other category. Among the key strengths were

- The clear vision and high ambitions demonstrated by Governors and leaders
- The good progress made in learners and apprentices developing their careers
- The effective work with employers to design study programmes
- The good management of curriculum areas, where intervention is swift and enables rapid improvement

These are all elements discussed as part of the strategic planning process at both governance and leadership level, and are elements that the College would wish to maintain and develop further in any future plan.

The areas for development are broadly in line with our College self-assessment report and have been discussed previously with Governors:

- Progress in both English and mathematics, in particular, functional skills is too slow
- Stretch and challenge, particularly for more able learners, although planned is not well executed in the classroom
- There is still variability in performance for different groups of apprentices

The Principal confirmed that an action plan arising from inspection will be compiled and this would be woven into the Strategic Plan. The Principal confirmed that the areas for development all feature as part of the College's Quality Improvement Plan. After inspection, however, it was agreed at the Standards & Curriculum Committee on 6th March 2019, that these would be revisited with clearer actions and targets set to address issues identified by the inspectors. Targets set will be smarter to enable tracking and KPIs will be set to enable Governors to drill down into more detail. Liz Laycock will assist with this action and they will be tested by the Standards and Curriculum Committee.

The Principal gave thanks should go to Becky Jones, Vice-Principal, for acting as the College nominee in a calm, rigorous and professional manner and to staff, students and Governors for meeting with the Ofsted inspection team. The Board echoed these thanks.

The Principal reported on a range of safeguarding and Prevent measures undertaken by the College to minimise the risk faced by young people and to protect them as far as possible, particularly with recent national increases in knife crime. Governors learned that the College was working with the Police and other agencies to raise awareness amongst staff and students of "County Lines" and severe youth violence. An on-going tutorial programme highlighted the dangers of drug and knife crime and Essex Police were invited onto the campus to bring drugs sniffer dogs and knife arches. Improved staff development and investment into new safeguarding software enabled vulnerable students to be identified and supported. In addition clear disciplinary policies and the wearing of lanyards for identification enabled staff to deal with unacceptable behaviour effectively.

In discussion Governors endorsed the actions of the College to ensure the safety of students and staff. The meeting discussed the 'lock-down' procedure and approved

the College approach as detailed in the Principal's report. Governors agreed that the College should continue to develop staff to respond to critical incidents, to develop clear lines of communication and to take advice from the Police. Governors noted that at Stansted Airport College, training will be supported by airport security staff.

The Principal reported that she would work with senior managers and then with Liz Laycock and the members of the Standards and Curriculum Committee to develop the Key Performance Indicators to ensure their focus is on teaching, learning and assessment and that they are smarter. The meeting was informed that the outcomes of the Strategic Planning Conference and follow up conference for managers are forming part of the curriculum planning process. Managers will bring their presentations to the Principalship at the end of March. Governors noted and endorsed the key themes that will form the Strategic Plan.

The Board thanked the Principal for her report.

2142 Harlow College Policies

2142.1 Governors received and approved the Health, Safety and Welfare at Work Policy.

2142.2 Governors received for consideration the Student Disciplinary Policy presented by Louise Turner, Deputy Principal.

The Student Disciplinary Policy was approved by the Board with the following amendments:

Minor misconduct: Failure to show identification on request (eg failure to wear the college lanyard or other form of identification) – separate out from the "Failure to follow a staff members' reasonable instruction" to emphasise its importance.

Gross misconduct: Include cheating and plagiarism and add in 'persistent minor misconduct'.

2142.3 Governors received and approved the Equality and Diversity Policy.

2143 An Insolvency Regime for Colleges

The Board received a report on the insolvency regime from Deanne Morgan, Executive Director – Finance and Facilities with an expanded commentary by Ray Levy, Governor.

Governors noted that:

- for Colleges in severe financial difficulty, the Department for Education can intervene with its own administrator with powers to minimise disruption to learners.
- company directors are not disqualified as an automatic consequence of the insolvency of a company, and this will also be the case with governors or

senior management of colleges. Disqualification proceedings are only commenced where there is evidence of wrongdoing, which could include fraudulent and wrongful trading, which is fully investigated.

- the law generally protects charity trustees and also governors who have acted honestly and reasonably and have not benefited from their actions. There is no legal protection for governors who have acted dishonestly, negligently or recklessly.

Governors agreed that the monthly management accounts should be posted on One Drive.

Governors thanked Deanne Morgan and Ray Levy for their informative report.

2144 Projects Update

The Board received an update from the Will Allanson, Deputy Principal on a range of projects and proposals.

2144.1 Stansted Phase 1.5

Governors received outline details of plans to increase the size of Stansted Airport College to meet the demand for places and to increase the offer to support employers and employees. The innovative nature of STAC has seen donations of equipment and an aeroplane and this has taken up space required for delivery activities. Opportunities for capital expenditure will be sought to support the development. It will also be necessary to influence the Uttlesford Local Plan to include provision as to how the site can develop.

The meeting was informed about the strategy to recruit additional staff for September 2019 and noted that the interview process had commenced. Governors noted the benefits of recruiting staff from industry and the Deputy Principal described the ways by which they are recruited. The Principal confirmed that the Strategic Plan would address those areas where there were skills gaps in teaching areas.

2144.2 Construction Industry Training Board Construction Hub

The Deputy Principal reminded Governors of the funding that the College had secured to develop a training hub to upskill people to work in the construction sector. In partnership with Public Health England, the College would lease a small piece of land on which a construction skills hub would be placed. The College is working with the principal contractors at the Public Health England site to deliver employment training, to launch a schools campaign and to prepare for delivering T Levels. Governors noted that £10,000 had been secured for delivering construction training for women.

2144.3 Local Growth Fund Application for Buildings J and K

The Deputy Principal reminded Governors that the College had applied for local growth funding to refurbish buildings J and K. Changes to the application procedure and slippage in the evaluation stage meant that the whole funding opportunity had slipped and the College would not be able to deliver the scheme in the two year period that remained without avoiding considerable additional expense and disruption to students. Governors noted that the project could not therefore proceed in its current format.

2145 Reports from Committees

To receive the minutes of the following committees: -

2145.1 Audit – 26 February 2019

The Board received and approved the minutes of the Audit Committee, which met on 26 February 2019. Governors noted the outcome of the internal audit of Governance and Risk Management and approved the proposal to allocate review of risks to Committees.

Governors received and approved the confidential minutes of the Audit Committee, which met on 26 February 2019. The Board approved the appointment of Scrutton Bland as internal auditors for the academic year 2019/20 and noted the value for money exercise that will be carried out.

2145.2 Resources Committee – 28 February 2019

Governors noted that the Committee did not meet for issues of quoracy but all papers were carried forward to the Corporation meeting. The chair apologised to Julian Bedford for late notification of the cancellation.

2145.3 Standards and Curriculum Committee – 6 March 2019

The Board received and approved the minutes of the Standards and Curriculum Committee, which met on 6 March 2019.

2146 Any Other Business

Governors joined the Chair in thanking Louise Turner, Deputy Principal, for her dedicated service to Harlow College, for leading the College through the recent Ofsted inspection and for the different roles she had fulfilled in the College. Governors wished her a happy retirement.

2147 Dates of Future Meetings

Summer Term	Thursday 16 May 2019	8.30am
	Thursday 11 July 2019	8.30am