

**HARLOW COLLEGE FURTHER EDUCATION CORPORATION
CORPORATION MEETING**

Minutes of the meeting held on Thursday 16 March 2017

Membership:	* P Taylor (Chair)	* C Christofides	* M Prodger
	S Adamopoulos	A Durcan	* B Spencer
	* P Bartlett	* E Johnson	* K Spencer
	* J Bedford	* L Jones	* P Whitehead
	* J Bouffler	* L Laycock	* T Woodward
	* J Breen	* R Levy	

* denotes present

In attendance: M Stokes, Deputy Principal
L Turner, Deputy Principal
D Morgan, Executive Director – Financial Services
W Allanson, Executive Director – Business Development
C Chatt, Observer
D Sheridan, Clerk to the Corporation
R Lucas, Deputy Clerk to the Corporation

1980 Apologies for absence and a welcome

Apologies for absence were received and accepted from S Adamopoulos.

1981 Declarations of Interest

J Bouffler declared an interest in any matters relating to ARU and the College's higher education provision.

P Taylor declared an interest in any matters relating to Stansted Airport due to his employment by a company based at the Airport.

P Whitehead declared an interest in agenda item 1987 – Key Performance Indicators and Targets.

1982 Minutes of the Previous Meeting

The Corporation approved the minutes and the confidential minutes of the meeting held on 08 December 2016 as a true and accurate record and they were signed by the Chair.

1983 Matters Arising from the Minutes

There were no matters arising.

1984 Governance Issues

1984.1 To approve the recommendations of the Search and Governance Committee in respect of membership of the Corporation and composition of the Corporation

The Search and Governance Committee proposed the following:

- The reappointment of P Taylor for a period of four years from 05 April 2017 to 04 April 2021.
- The reappointment of J Breen for a period of four years from 01 May 2017 to 30 April 2021.

The Corporation unanimously agreed to these reappointments.

The Search and Governance Committee had met with a potential new Governor from Manchester Airport Group (MAG), however due to an internal promotion, he is no longer able to commit to the Governing Body. He has expressed an interest to be co-opted onto a Committee for the development of the Stansted Technical and Professional Skills Centre and the Corporation agreed that this would be of benefit. MAG is looking for another representative to be nominated to the Governing Body.

The Corporation noted that this meeting was P Whitehead's last meeting as his term of office as Staff Governor comes to an end on 20 March 2017 and he had decided not to stand for re-election. The Corporation thanked P Whitehead for his contribution and commitment to the Governing Body over the last four years.

Chris Chatt, the newly elected staff Governor, was welcomed to the meeting as an observer and he introduced himself. The Corporation noted that his term of office would commence on 21 March 2017 for a period of four years to 20 March 2021.

D Sheridan, Clerk to the Corporation reported that the maximum size of the Board, as set out in the Instrument and Articles of Government, is twenty, the minimum size is twelve Governors. The Corporation had agreed many years ago that there should be nineteen Governors.

The Search and Governance Committee now recommended to the Corporation that the size of the Board be reduced from nineteen to eighteen. This is in line with national recommendations for smaller Boards.

The Corporation approved the recommendation of the Search and Governance Committee to reduce the size of the Corporation to eighteen Governors.

1984.2 To elect the two Vice-Chairs of the Corporation

P Taylor nominated P Bartlett and M Prodger as Vice-Chairs of the Corporation and this was seconded by B Spencer.

P Bartlett and M Prodger were duly elected as Vice-Chairs of the Corporation for a period of one year.

1942.3 To approve the recommendations of the Search and Governance Committee in respect of the future of the Search and Governance Committee.

D Sheridan, Clerk to the Corporation, reported that a recommendation has been made by the Search and Governance Committee that the Committee reduces its responsibilities to just the search function. The Standards and Curriculum Committee already have an element of governance responsibility linked to leadership elements in the Ofsted inspection framework and the Quality Improvement Plan. All other matters of governance recommended by the Search and Governance Committee go to the full Corporation for approval. The Search Committee would continue to make recommendations on governor appointment to the Board in line with the Instrument and Articles of Government.

The Corporation agreed to the proposal that the Search and Governance Committee reverts back to the Search Committee from the start of next academic year.

1984.4 Governors to feedback on recent training, attendance at College events and on the work of the Student Ambassadors.

B Spencer attended the ACER induction training and the Resources Committee meeting.

J Breen attended the HAMEC opening and the Resources Committee meeting.

L Jones attended the Healthy Eating Schools Award event.

T Woodward is working on developing digital ambassadors, attended the HAMEC opening and is in dialogue with the Chair of the Stansted Chamber.

L Laycock attended the ACER induction training, the HAMEC opening and the Standards and Curriculum Committee meeting.

M Prodger attending the HAMEC opening, the Safeguarding Committee meeting, the Standards and Curriculum Committee meeting and the Search and Governance Committee meeting.

E Johnson attended the HAMEC opening.

P Bartlett attended the HAMEC opening and the Audit Committee meeting.

P Whitehead attended the HAMEC opening and the Audit Committee meeting.

C Christofides attended the Standards and Curriculum Committee meeting.

J Bouffler attended the HAMEC opening and the Standards and Curriculum Committee meeting.

J Bedford attended the HAMEC opening.

R Levy attended the HAMEC opening, the Area Review Governor meeting, the ACER Governor Induction training and the Audit Committee meeting.

P Taylor attended the Area Review Steering Group meetings.

1985 Greater Essex Strategic Area Review

- 1985.1, To receive an update on the Area Review process**
1969.2 To receive and approve the Options Assessment and
& Recommendation in respect of Harlow College
1985.3 Draft Financial Plan submitted as part of the Area Review process

The Corporation received and considered the report on Strategic Area Reviews, presented by K Spencer, Principal.

Governors were informed that the College is in a good position in terms of quality and financial health; however the Area Review Steering Group had some queries over the College's ratios. The LEP and Essex Skills Board fed back positively on the College, confirming it offers a good curriculum mix aligned to identified skills needs.

The Board noted the official recommendation from the Area Review Steering Group that is for *"Harlow College to remain as a stand-alone college, with a focus on developing a campus at Stansted that will better meet employer and learner needs"*.

Governors' attention was brought to the five year financial plan which was submitted as part of the area review process and this was noted by the Board. Governors noted the caveats that accompanied the plan: that no formal funding agreements have been issued from Government yet for 2017/18; that the College is accepted onto the Register of Apprenticeship Training Providers; that the College financial health rating remains as 'Good' and meets its bank covenants.

The Corporation unanimously formally approved the recommendation of the Area Review Steering Group as follows:

"Harlow College to remain as a stand-alone college, with a focus on developing a campus at Stansted that will better meet employer and learner needs".

1986 Management Accounts for the Period 1 August 2016 – 31 January 2017

- 1986.1 To receive and approve the management accounts**

The Corporation received and considered the management accounts for the period 1 August 2016 – 31 January 2017, presented by M Stokes, Deputy Principal and D Morgan, Executive Director – Financial Services.

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

- The forecast surplus is £838k due to the increase in high needs

funding.

- The College is confident it will achieve the final year-end surplus position required to meet the bank covenants.
- Pay costs are currently under budget, however this will rise as the College is currently recruiting to posts.
- Non-pay costs are under budget.
- Capital expenditure is on budget. It is anticipated that the Advice Centre in Harlow's town centre will be taken on by the College in May 2017 with the facility opening in September 2017.
- Bank covenants continue to be met and the College's financial health rating is 'Good'. The SFA have confirmed that the College's financial health is good for the third consecutive year.
- Actual cash flow is in line with the forecast cashflow.

The Corporation thanked M Stokes, D Morgan and the finance team for their continued hard work to ensure prudent use and management of resources.

P Bartlett asked what the current position of the pension scheme was. D Morgan highlighted that originally the College had a pay-back period of fourteen years, however this has been reduced to seven and a half years, which is better than originally anticipated. For the next three years, Essex Pension Fund has agreed a £150,000 per annum pay back. This will then be reviewed after three years. The Essex Pension Fund did however state they might review the figures once the Area Review process had been completed. In a mixed picture nationally, Harlow College has come out strong as it is not seen as high risk. D Morgan also confirmed that Essex Pension Fund is not asking for any additional security against the deficit. There will be a significant increase in staff on-costs with the rise of the employer contribution rate from 15% to 17% over the next three years. D Morgan confirmed that this had been factored into the pension scheme costs.

It was confirmed that the Stansted Centre will add to the College's balance sheet and that the Harlow Advanced Manufacturing and Engineering Centre is now valued in the accounts and recorded on the balance sheet.

The Corporation approved the management accounts for the period 1 August 2016 – 31 January 2017.

1986.2 To approve the loan option

The Corporation received and considered the report on loan options, presented by D Morgan, Executive Director – Financial Services.

Governors were informed that as the College has drawn down the £3m loan for the Harlow Advanced Manufacturing and Engineering Centre, there is now a need to convert it to a bank product. There are three main options available to the College – a variable, fixed or cap rate. The options were explained to governors in detail along with the advantages and disadvantages of each product. Governors acknowledged that fixed rate is low risk whereas variable is high risk. The products would be of a five-year duration.

A detailed discussion was held and the following points were raised by Governors and the Executive:

- A pinch point somewhere in the region of 0.75% could be agreed, therefore the College would remain on the variable rate to this point and would then look at a fixed rate or cap product.
- Is it worth considering hedging or splitting the loan?
- E Johnson asked if anyone had looked at forecasting the variable market and D Morgan informed Governors that they are predicting the market will go up.
- The College could wait and re-consider the products available later.
- P Whitehead suggested that as soon as there is any indication of a rise, then a report should be made to the Corporation or the Resources Committee. As soon as there is a beginning of a rise, then consider fixing/
- P Bartlett highlighted that the cost difference of £72k between the fixed and variable rate is comparable to insurance and would the Corporation be willing to pay this figure to guarantee an interest rate?
- J Bedford reported that constant monitoring is required.
- M Stokes highlighted there is a possibility of consolidating this loan with another loan the College has.

The Corporation took a vote on which option the College should pursue. Twelve Governors voted to remain on a variable rate and review in three months along with looking at consolidating the two loans. Two Governors voted to buy into a fixed rate product for five years.

The Corporation therefore agreed to remain on a variable rate and review in three months along with looking at consolidating the two loans. They approved delegated authority for the Principal and Deputy Principal to sign the product documentation on behalf of the Corporation.

1987 Key Performance Indicators and Targets

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

Governors noted that this version is the latest update and that the monitoring and recording of the KPIs and targets is a moving process.

The KPIs in red were brought to Governors' attention and discussed. The following points were noted:

- Attendance is slightly below target due to the increase in needs of the current cohort of students, particularly with regard to mental health and safeguarding. Administrators are a key part in this and currently the College is recruiting in this area. Regular meetings are being held with Heads of Academies to highlight the importance of this. There is also an impact on Maths and English attendance. T Woodward asked if absence is authorised and K Spencer confirmed that the College needs to look at how effectively this is being undertaken and P Whitehead confirmed that the register system is being reviewed.

- Maths and English remains a challenge and was the subject of a long discussion at the Standards and Curriculum Committee. Maths is currently on track however English is the bigger challenge, particularly where different syllabuses have been studied. There are no coursework elements and a greater understanding of language and grammar is required. GCSE grading for Maths and English has moved to the 9 – 1 system, with 9 being the highest grade. All GCSE subjects will follow this grading from 2017/18. An information leaflet was circulated to all Governors, who noted that there is a greater differential in the high grades than in the low grades. A level 4 will be classed as a pass and level 5 classed as a good pass.

Governors noted that the KPIs and targets coloured in white have not yet commenced and that this is as originally planned and not due to slippage.

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

1988 Policies for Approval

1988.1 To receive and approve the Complaints Procedure

The Corporation received and considered the proposed changes to the Complaints Procedure, presented by L Turner, Deputy Principal.

Governors were informed that there was a need to update the Procedure in line with the higher education requirements. Reference to the final adjudicator and letters required have been added into the Procedure.

The Corporation approved the changes to the Complaints Procedure.

1988.2 To receive and approve the Data Protection Policy

The Corporation received and considered the Data Protection Policy, presented by M Stokes, Deputy Principal.

A discussion was held around the Policy and Governors noted the following:

- D Sheridan is the College's data controller to who subject access requests for data from staff and students and Freedom of Information requests are addressed. D Sheridan is also responsible for registration with the Information Commissioner's Office.
- The Policy has been revised at the request of the internal auditors.
- New regulations from the Information Commissioner will come into force in 2018, therefore the Policy will need to be revised again.
- There is risk attached to data. If there is a breach, the College could be fined 4% of its turnover and shut down from operations for two days.
- The College is using electronic systems that can have security systems set into them, however more people can access the information more easily.
- E-systems also allow for information to be made more accessible to

- parents and employers.
- The College can charge £10 for the release of information. This is a standard charge but it is often waived. Governors asked if under 19s could be charged and D Sheridan confirmed that although they can be charged, the College uses its discretion.

The Corporation approved the Data Protection Policy and noted that once the new regulations come into force, the Policy will be reviewed.

1989 Institutes of Technology

The Corporation received and considered the report on Institutes of Technology, presented by K Spencer, Principal.

Governors noted that more information is yet to be released by Government, however it is expected that will be led by the FE sector in collaboration with the LEP and local employers. £170m will be invested to develop this initiative however no revenue funding will be available.

The Principal outlined the key features of Institutes of Technology and how they link to the post-16 Skills Plan and Industrial Strategy.

The College has registered its interest in submitting an application to become an Institute of Technology and the Principal highlighted the need to assess the Corporation's appetite to pursue the initiative.

The Corporation noted the report on Institutes of Technology and agreed that the College should actively pursue this further and explore a partnership with Anglia Ruskin University.

1990 Projects Update

1990.1 Harlow Advanced Manufacturing and Engineering Centre

The Corporation received an update on the Harlow Advanced Manufacturing and Engineering Centre (HAMEC), presented by W Allanson, Executive Director – Business Development.

W Allanson reported that the building was handed over to the College on 22 December 2016, on time and within budget. Minor snagging work is being completed and the contractors are working well and are responsive to dealing with these issues. Machines are currently being commissioned. The Centre has five high-end CNC machines, two of which are used in World Skills events and these machines are being used to inspire young people.

There has been a great amount of support from the technical partners and HAMEC is being showcased to a number of potential new employers and businesses. As a result of this, the College has secured a significant amount of new training. £30k of funding has been secured from the Essex Skills Board and Essex County Council for investment in staff training.

A costing model is being drawn up for industry to use the Centre and for

testing small production runs. J Bedford is working with the College on this. P Taylor asked if there were any VAT implications and the Principal confirmed that this is being worked through. However it is not envisaged that there would be any significant implications as the College paid the full amount of VAT on the building to allow it to be used for commercial research and development.

The College is in discussion with the Director of the Harlow Enterprise Zone who is keen to promote HAMEC as part of the Enterprise Zone and the next Enterprise Zone Board meeting is being held in HAMEC. The Corporation noted the update on the Harlow Advanced Manufacturing and Engineering Centre.

1990.2 Stansted Technical and Professional Skills Centre

The Corporation received an update on the Stansted Technical and Professional Skills Centre, presented by W Allanson, Executive Director – Business Development.

Funding for the Centre has been secured through Single Local Growth Fund and the full £7m is being funded via the LEP and Essex County Council. The Business Case for the funding now needs to go through the LEP's Accountability Board, scheduled for 26 May 2017, to confirm value for money.

Governors were informed that a new facility will be built at Stansted Airport and the building will be owned by Harlow College. A detailed discussion was held around the design of the building.

The Centre will open in September 2018, however the programme is very tight. Contractors will need to start on site by September 2017. A two-stage design and procurement process is being followed. Project management and quantity surveying services have been procured via OJEU and the Scape framework has been used to procure the contractor, Willmott Dixon. Willmott Dixon will procure the wider design team and architects. A single construction contract is being awarded and the design team is currently value-engineering the preferred design option. Stansted Airport is putting together a project team, comprising staff from their legal, property, utilities and communications teams.

A draft lease agreement is being drawn up by the College's solicitors and Manchester Airport Group (MAG) is leading on the planning submission. Uttlesford District Council has indicated that it will expedite the planning process.

Work on curriculum development and design is underway along with marketing and communication with businesses at the Airport and stakeholders. Areas of curriculum focus will be: engineering – aircraft maintenance, operations and mainstream engineering; airport industries – aviation security, customer service, customer experience, hospitality, retail, cabin crew and ground crew; business studies – finance, HR and possibly insurance.

Governors were given the opportunity to ask questions. P Bartlett asked who would be liable if the project went over budget and W Allanson confirmed that it would be the College. L Laycock asked what the Centre would be called and the Principal confirmed that this is being discussed with all partners.

Governors were informed that the College is currently funding the project, however the College has been given reassurances from the LEP and Essex County Council that the funds will be released as quickly as possible. The College has extended its overdraft facility for an extra month as a precautionary measure due to the payment profiles. The Corporation noted the update on the Stansted Technical and Professional Skills Centre and unanimously agreed that it was confident that the College should continue work on the project at risk until the funding is finally confirmed by the LEP at its Accountability Board on 26 May 2017.

1991 Reports from Committees

1991.1 Search and Governance Committee – 31 January 2017

The Corporation received and noted the minutes of the Search and Governance Committee meeting held on 31 January 2017.

1991.2 Audit Committee – 28 February 2017

The Corporation received and noted the minutes of the Audit Committee meeting held on 28 February 2017.

P Bartlett highlighted that Scrutton Bland had been reappointed as the College's internal auditors for an additional year.

Scrutton Bland has offered to deliver risk appetite training to all Governors and it was agreed that this would be built into a Corporation meeting.

1991.3 Resources Committee – 2 March 2017

The Corporation received and noted the minutes of the Resources Committee meeting held on 2 March 2017.

1991.4 Standards and Curriculum Committee – 13 March 2017

The Corporation noted that the minutes of the Standards and Curriculum Committee held on 13 March 2017 will be presented at the next Corporation meeting on 18 May 2017.

1992 Any Other Business

There were no items of any other business.

1993 Dates of Future Meetings

Summer Term	Thursday 18 May 2017	08.30am
-------------	----------------------	---------

Thursday 13 July 2017

08.30am