

HARLOW COLLEGE FURTHER EDUCATION CORPORATION

CORPORATION MEETING

Minutes of the meeting held on Thursday 18 October 2018 - 8.30

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

In attendance: P Whitehead, Vice-Principal
 B Jones, Vice-Principal
 D Morgan, Executive Director – Financial Services
 S Appleby, Executive Director – HR Services (agenda item 2114 only)
 S Boyce, Head of Marketing and Admissions (agenda item 2115 only)
 D Sheridan, Clerk to the Corporation
 R Lucas, Deputy Clerk to the Corporation

2104 Apologies for absence

Apologies were received from J Bedford, J Breen, A Durcan, R Levy and L Turner.

2105 Declaration of Interests

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

2106 Minutes of the Previous Meeting

The minutes and the confidential minutes of the meeting held on 19 July 2018 were approved by the Corporation as a true and accurate record and were signed by the Chair.

2107 Matters Arising from the Minutes

There were no matters arising.

2108 Membership of Harlow College Further Education Corporation

The Corporation welcomed three new Governors - Emma Boys (Student Governor), Lily Lin and Gideon Onyesoh (Student Governor) and they introduced themselves.

2109 Election of the Chair of Harlow College Further Education Corporation

P Taylor withdrew from the meeting and P Bartlett took the Chair for this agenda item.

The Corporation unanimously elected P Taylor as Chair of Harlow College Further Education Corporation for the period 10 December 2018 – 9 December 2019.

P Taylor accepted the position of Chair and informed Governors that he planned to circulate a quarterly Chair's Update to the Corporation.

2110 Provisional Outturn 1 August 2017 – 31 July 2018

The Corporation received and considered the provisional outturn for 2017/2018, presented by D Morgan, Executive Director – Financial Services.

Governors discussed the provisional outturn in detail and noted the following:

- The original budgeted surplus figure was £203k however due to an unexpected increase in the Local Government Pension Scheme (LGPS) costs of approximately £600k, the College is reporting a £405k accounting deficit. Governors noted that the increase in pension costs was a non-cash entry and P Bartlett confirmed that the accounting deficit figure is misleading.
- The final income position is higher than originally forecast due to an increase in apprenticeship funding, high needs funding and additional release of capital grant income.
- The cash position is healthy; the bank covenants are forecast to be met.
- Capital expenditure was as planned.
- The College's ESFA financial health rating remains as good despite the accounting deficit as the calculation does not include non-cash items.
- All five subsidiary companies have been dissolved.
- Funding streams will continue to be risk rated, particularly in relation to Stansted Airport College. Monthly financial monitoring meetings will focus on income and reforecasting will take place where necessary.
- The Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) figure is positive.

A wider discussion was held around the pension scheme liabilities. P Bartlett asked when the next LGPS assessment would be made. D Morgan informed Governors it would be next year and colleges could be asked to increase their cash payments. This would result in a risk to the College's cash flow in two years' time. The College is monitoring the LGPS and Teachers' Pension Scheme (TPS) closely and Governors noted that pension schemes were now included in the College's risk register.

E Johnson and staff and student Governors withdrew from the meeting and K Spencer provided the Corporation with an update on the VAT position in relation to HAMEC.

The Corporation noted the provisional outturn for 2017/18.

2111 Sketch Management Accounts for 1 August 2018 – 30 September 2018

The Corporation received and considered the sketch management accounts for the period 1 August 2018 – 30 September 2018, presented by Deanne Morgan, Executive

Director – Financial Services.

D Morgan reported that the College's financial health rating is good and that the bank covenants are being met.

An overdraft facility is in place to 31 March 2019. This arises from the uncertainty around when the College will receive ESFA funding for learners at Stansted Airport College. The ESFA will analyse the College's December return that will include all enrolled students as of 31 October 2018. 340 additional learners were set out in the financial plan however the ESFA will only fund additional learners based at Stansted Airport College. The ESFA will inform the College in January 2019 of the additional in-year funding to be paid however the College is not yet aware of when the payments will be made. There is a risk that the income will be lower than anticipated; however there has been a staff recruitment lag and lower non-pay costs than originally anticipated.

Governors were informed that the LGPS may seek to recover cash to deal with the deficit in future years and that the TPS is under review with any proposed changes taking effect from September 2019. The current employer contribution rate is 16% and this rate is proposed to increase to 23%. An increase to 20% would cost the College an additional £239k per annum and a 23% would cost £443k. Any increase as detailed above would have a significant impact on the College's finances and the College's staff costs to income ratio would be in excess of 70%. Governors noted that the College cannot control this risk. There is a national lobby to the Government and it could be that these increases are met by Government for one year only in 2019/20.

A significant number of colleges nationally are facing financial difficulties and since 2010 FE budgets have been cut by approximately 30%. The College has worked hard to sustain its financial position however it is reported that 217 out of 260 colleges nationally are not meeting the FE Commissioner's benchmarks. J Bouffler asked about the Government funding review. P Whitehead highlighted that the review is focusing on post-18 education and not on 16 – 18 education. K Spencer reported that investment does not always address the issues faced by the sector and that the FE sector does not have the same protection as schools in terms of funding.

P Taylor highlighted that the College's leadership team has acted well over the last five – six years with a huge amount of hard work going on to secure the College's financial position and that operationally the College is doing well, however there are external risks which could affect the College's position. Governors noted that the TPS employer contribution risk could impact on the College's ability to meet its banking covenants and this could trigger some bulk repayments of loans.

P Taylor asked what the £9k interest was in the management accounts. D Morgan reported it is linked to the swap loan product.

The Corporation noted the sketch management accounts for the period 1 August 2018 – 30 September 2018.

2112 Recruitment of Learners – Enrolment Report 2018/19

The Corporation received and considered the Recruitment of Learners – Enrolment

Report 2018/19, presented by P Whitehead, Vice-Principal.

P Whitehead highlighted to Governors that it is still early in the Autumn Term and that there is always movement in learner numbers in the first six weeks, therefore the figures are changing on a daily basis. There are currently 2,320 16-18 learners enrolled, which is a 3% increase from last academic year, with 273 learners enrolled at Stansted Airport College. The College's Adult Education Budget covers classroom based learning with the unemployed including the Stansted Academy. It is harder to recruit adult learners this year due to the fall in unemployment rates.

P Whitehead reported that apprenticeship funding systems are now more settled and the College apprenticeship start numbers are in line with last year's numbers.

The College is slightly under target on higher education recruitment however there has been an increase in some of the College's Level 4 programmes.

90% of the adult learner loans facility has been allocated and a growth request has been submitted.

High needs funding is more stable and it is anticipated that the College will be above target for high needs funding.

E Johnson asked about the reduction in the 16-18 figures and whether the College was satisfied with the numbers recruited. P Whitehead confirmed that there will be further recruitment in year and that the College is currently above figures from this point in the last academic year. K Spencer confirmed that NEET students can be recruited in year. P Whitehead informed Governors that assurances can be given based on the information presented in the report.

The Corporation noted the Recruitment of Learners – Enrolment Report for 2018/19.

2113 Principal's Report

The Corporation received and considered the Principal's Report verbal update, presented by K Spencer, Principal.

The Principal informed Governors that the official opening of Stansted Airport College is taking place on Thursday 13 December and Governors will be invited to attend.

The College's application to the Office for Students, the new higher education regulator, has been successful and K Spencer thanked B Jones for her hard work.

The College has been successful in a number of funding applications:

- CITB Skills Construction Fund – The College has secured £1m for a mobile training facility for construction sites and is one of only 21 approved projects nationally.
- Maths Centre for Excellence – the College has been successful in bidding to become one of 21 Maths Centres for Excellence. The College will be working in partnership with other providers and expects to receive between £380k and £500k

annually for three to five years. P Taylor asked what the measure of success would be for the Centre. The Principal reported the College will set targets with the national Delivery Partner (when appointed) however the focus is more on qualitative outcomes rather than hard outcomes.

- Education Training Foundation – £50k has been secured for teacher recruitment in shortage subjects and the College will be working in partnership with South Essex College and Colchester Institute.
- Education Training Foundation – Teach Too funding has been secured for a project focusing on bringing industry into the classroom.
- Outstanding Teaching, Learning and Assessment – funding has been secured for preparing young people for extended work placements.

The College has been shortlisted for a Beacon Award for the work undertaken by the Supported Studies team and is waiting to hear if it has been successful in progressing to the next round. The Corporation congratulated the team, acknowledging that a lot of effort has been put into submitting funding applications and thanked D Sheridan and R Lucas for their work.

The College has better working relationships with the UTC particularly as the College's invoices are being paid. A meeting with the DfE, BMAT, the UTC and the College is in the process of being set up.

Negotiations with ARU over the UCH building are progressing and both parties are in the process of working through the detail. The local MP and the District Council are keen to see HE provision in Harlow and the College is looking to work with partners.

The Corporation unanimously agreed that staff would be given 24th December 2018 off without having to use annual leave as part of the College's 60th anniversary.

The Corporation noted the Principal's Report.

2114 Code of Conduct for Staff

The Corporation received and considered the Code of Conduct for Staff, presented by S Appleby, Executive Director – HR Services.

Governors were informed that this Code is new however many of the elements contained within it were referred to in other policies. The Code sets out expectations of staff and how they should behave and incorporates the new Keeping Children Safe in Education statutory guidance. Governors' attention was brought to the section on dress code which is new, however it reflects what currently happens and is not intended to change any existing practices.

Governors were informed that the Code will be shared with the Unions for consultation and if they request any significant changes, the Code will be re-presented for approval.

The Corporation approved the Code of Conduct for Staff.

2115 Careers Strategy – Gatsby Benchmarks

The Corporation received and considered the report on Careers Strategy – Gatsby Benchmarks, presented by S Boyce, Head of Marketing and Admissions.

Governors were informed that this is a new strategy which is to be published on the College's website. S Boyce reported that the aims and objectives detailed in the report are aligned to the Careers, Education, Information, Advice and Guidance Strategy. Governors were informed that there are eight aims against which objectives and action points have been set.

The aims are as follows:

- A stable careers programme;
- Learning from career and labour market information;
- Addressing the needs of each pupil;
- Linking curriculum learning to careers;
- Encounters with employers and employees;
- Experiences of workplaces;
- Encounters with further and higher education, and
- Personal guidance.

S Boyce informed Governors of what the College has been doing in relation to the aims and Governors noted that work is on-going in relation to the actions taken, however there is no fundamental change or shift in the College's direction.

P Taylor asked if there were any links with the strategy and destination data and P Whitehead confirmed that this could be added in or some case studies could be undertaken.

E Johnson asked that in relation to students having more contact with employers make them more employable, what, in this context, does 'meaningful' mean. K Spencer reported that it referred to students doing something relevant. P Whitehead added that the College makes it individual for each learner, therefore the information contained in the Strategy cannot be specific however it can set out aspirations for individuals. G Wootton reported that learners at Stansted Airport College have good links with employers and practical experience with them in a real-life work environment.

The Corporation approved the Careers, Education, Information, Advice and Guidance Strategy.

2116 Student Disciplinary Policy

The Corporation received and considered the Student Disciplinary Policy, presented by K Spencer, Principal.

Governors were informed that the Policy has been updated with students consulted on the revised Policy. The yellow and red card system has been replaced by a four stage process. Governors noted that the number of examples contained within the Policy has been reduced and the categories have been broadened.

K Spencer informed Governors that the former Policy stated that if there was police involvement, a student would automatically be suspended. This has been replaced with the requirement to undertake a risk assessment based on information received from the police. Governors noted that if a student is suspended, support to continue studies is made available from the College online.

Governors were informed that under the new Policy, the Investigating Officer appointed would usually be the Head of Academy for the area in which the student studies. Governors noted that Assistant Principal for Student Services has taken over responsibility for student discipline.

L Laycock asked how persistent minor misconduct was dealt with within the Policy. It was noted that this was referred to in Section 7 however Governors agreed that a Section should be added to Section 4 referring to minor misconduct.

P Taylor asked whether major misconduct should be replaced with gross misconduct in the Policy as this replicates language used in the workplace. K Spencer informed that advice from national bodies has been to use major misconduct however the Corporation agreed that the word major should be changed to gross.

E Johnson asked where the College stands legally with this Policy. K Spencer reported that only the process, and not the Policy, can be challenged.

The Corporation approved the Student Disciplinary Policy subject to two amendments as detailed above.

2117 Reports from Committees

To receive the minutes of the Committees:

2117.1 Audit Committee – 03 October 2018

The Corporation noted that the minutes for the Audit Committee meeting held on 3 October 2018 will be presented to the Corporation at its meeting on 17 December 2018.

2117.1.1 English Colleges Code of Good Governance

The Corporation received and considered the report on the English Colleges Code of Good Governance, presented by D Sheridan, Clerk to the Corporation.

Governors were reminded that there is a requirement in the Accounts Direction that colleges report against a code of governance and that the College adopted the English Colleges Code of Good Governance in 2015. As part of the Statement of Corporation Governance which is included in the Financial Statements, there is a declaration of compliance with the Code.

Governors noted the status of all the recommendations in the Code and noted that where recommendations have not been adopted, an explanation or rationale for an alternative approach has been stated.

Governors were informed that the College's response to the Code had been discussed at the Audit Committee meeting held on 3 October 2018 and that the Audit Committee's recommendation is for the Corporation to approve the response.

The Corporation approved the College's reporting of compliance with the Code of Good Governance for English Colleges in the annual accounts.

2117.1.2 Health and Safety Internal Audit Report

The Corporation received and considered the Health and Safety Internal Audit Report, presented by W Allanson, Deputy Principal. Governors noted that limited assurance had been given for the audit, therefore the associated risk is higher than usual and an associated risk has been added to the College's risk register.

Governors noted that the report had been discussed in detail at the Audit Committee meeting held on 3 October 2018 and that a follow-up internal audit is scheduled for November 2018 to provide the College and the Corporation with external assurance that progress is being made.

Governors noted that the Health and Safety Manager now reports directly to a Deputy Principal and that the Health and Safety Manager and the internal audit report will be reported into the Health and Safety Committee.

217.1.3 Regularity Self-Assessment Questionnaire

The Corporation received an update on the Regularity Self-Assessment Questionnaire, presented by D Morgan, Executive Director – Financial Services. Governors were informed that the questionnaire contains a range of compliance questions and is completed annually for the external auditors.

Governors were informed that the Audit Committee discussed the Regularity Self-Assessment Questionnaire at its meeting held on 3 October 2018 and recommended to the Corporation that the questionnaire is signed off by the Chair and Principal.

The Corporation approved the Regularity Self-Assessment Questionnaire and agreed for it to be signed by the Chair and the Principal.

2117.2 Stansted Airport College Advisory Group – 4 October 2018

The Corporation noted that the minutes for the Stansted Airport College Advisory Group meeting held on 4 October 2018 will be presented to the Corporation at its meeting on 17 December 2018. Governors were informed that the meeting focused on enrolment, curriculum, capital spend, the donation of an aeroplane and transport links for the airport terminal to the College.

2118 Any Other Business

There were no items of any other business.

2119 Dates of Future Meetings

The next meetings of the Corporation are:

Autumn Term	27 November 2018 17 December 2018	8.30 am 8.30 am	Self-Assessment Review
Spring Term	31 January 2019 14 March 2019	3.00 pm 8.30 am	Strategic Plan and Dinner
Summer Term	16 May 2019 11 July 2019	8.30 am 8.30 am	