

MINUTES OF THE CORPORATION
Held on Tuesday 21 May 2019
In Room B107, Salisbury Campus

Present	Martin Clark (Chair), Mark Lello, Harry Adam, Carlton Brand, Amanda Burnside, Jon Downing, Iain Hutchison (by Skype), Mags Patten (until item 18), Debbie Sexton-Dyer, Becca Thurston, Jack Wills
In Attendance	<i>Adrian Ford (Deputy Principal Corporate Resources), Iain Hatt (Deputy Principal Curriculum and Quality), Heather Cross (Clerk to the Corporation)</i>

	Minute	Action
2018-19 8/1	Apologies for absence	
	Apologies were received from Venetia Summers.	
2018-19 8/2	Declarations of interest	
	None	
2018-19 8/3	Chair's opening remarks	
	<p>The Chair welcomed a full complement of external governors to the meeting. He noted with regret, due to her impending retirement, that this was Debbie Sexton Dyer's last meeting.</p> <p>The period since the last meeting at the end of March had been a busy one for the college including the launch of Phase 2 of the building works at Salisbury, the departure of the Assistant Principal HR, Matt Wall and GCSE Maths and English mass examinations currently. The new Ofsted Inspection framework had been recently published, with some additions to the expectations made of governors.</p> <p>The Department for Education had recently written notifying that the college was to be subject to a diagnostic assessment visit from the FE Commissioner's team on 3 and 4 July. As had been reported and discussed at previous meetings, the college was in 'early intervention' as a result of its financial health being 'satisfactory'. The understood intention of such a visit was either to endorse the approach being taken by the college, or to recommend additional actions to improve its financial health or to indicate further intervention was required. The recent publication of the FE Dashboard for 2017/18 year had shown the college having financial health towards the lower end of the satisfactory range and it was surmised that this may have been the trigger for the visit, but the college's profile was on track for improvement this year. The Chair reported that he had written to the FE Commissioner enquiring about the reason which had triggered the visit. He anticipated that the college would emerge with a positive report.</p> <p>Governors attention was drawn to the recent decision that the first college be placed into educational administration - Hadlow College Group. The Chief Executive of the Association of Colleges had written a statement to the sector concerning the significance of this event, copies of which were circulated.</p>	

2018-19 8/4	Student Union Representation	
	<p>The Deputy Principal Curriculum and Quality introduced the report which had been circulated, proposing changes to the Student Union Constitution designed to improve student engagement generally and to improve student participation in the Board. The National Union of Students had been consulted concerning the proposals and had endorsed the approach being taken, although their final comments on the revised constitution were still awaited. It was noted that should the person appointed as Student Union President not be an HE student that the appointment to the position of HE student governor would be made separately.</p> <p>Governors discussed the proposals for amendment of the Student Union Constitution, welcoming the possibilities for greater student engagement and approved the changed arrangements for the appointment of a student governor to the Board. It was noted that the President of the Student Union would be a sabbatical post and the incumbent would be appointed as a student governor as part of the role, the post to be paid for from increased NUS membership cards sales.</p> <p>It was agreed that the Instrument of Government should be amended to reflect the changes and the amended document together with the final version of the Student Union constitution should be brought to the next meeting.</p>	
2018-9 8/5	Headline SLG/SMT Objectives from the recent strategy day	
	<p>A discussion had been held at the Strategic Planning Day on 29 March 2019 on revisions to the senior leadership group strategic objectives for 2019/20, year 4 of the Strategic Plan. The Chair invited governors to comment on the resulting adjusted objectives which had been circulated. It was agreed that there should be a commitment to a cost of living pay award. The SLG strategic objectives overall were approved. Governors further noted the objectives for each postholder and approved these.</p> <p>Governors asked questions concerning the connections between the main strategic objectives and individual members of staff actions and how staff were engaged with the Strategic Plan. It was noted that Key Performance Indicators were aligned to the Plan. The Principal commented that there was considerable regular activity to engage staff and she would be pleased to explain separately for any governor who would like more information, the range of activities which took place. In addition she agreed to meet with a governor to discuss Strategic Plan objective monitoring.</p>	
2018-19 8/6	Principal's Report	
	<p>The Principal's report had been circulated previously. The report identified a number of matters for discussion as follows – ESFA discussions; changes to the management structure; the Student union constitution; applications status; progress with the NEET project; student feedback on the strategic plan; financial performance and forecast; sale of outreach centres; solar panels for Salisbury - to secure Board approval.</p> <p>A presentation was given to the meeting by the Deputy Principal Corporate Resources concerning the financial objectives for the 19/20 financial year,</p>	

building on the work carried out at the strategy day. It was noted that the budgeted surplus for the year was being planned at £90K. The main components making up the budget were reviewed. It was noted that the pay award discussed as a target earlier in the meeting had been included at 1.5%. It was also noted that the over-delivery of non-levy apprenticeships had been covered by virement from the adult education budget as there was no additional funding being provided centrally and this was what was suggested by the ESFA as a college option. Regrettably this meant that there was an impact on growth, which whilst acceptable for the 19/20 year, was not sustainable in the longer term. The position overall was recognised as continuing to be challenging. It was understood that the Association of Colleges was lobbying strongly on behalf of the sector for the student base rate to be increased by £1,000 per head, which would improve the position of the College by £3.2M.

Governors discussed the figures and asked a series of questions. It was noted that next year was still at a low point in the cashflow position. There was discussion about the adequacy of the pay award and what the effect of any further increases might be, noting that these would have an effect on the loan covenant position and require rebasing of loans. A question was asked about the overall benefits of working at the college including those of non-pay and it was noted that a staff survey was about to be carried out which would allow comparisons with that of two years ago. There was currently a high turnover of newly qualified staff which it was anticipated the pay award should address.

The Board **approved** the objectives to form the basis of the budget to be presented to the July meeting. The Principal would be writing further to the ESFA concerning the college's non-levy apprentice allocation.

Further management structure changes were noted, with a change in HR with the Assistant Principal post removed, to be replaced by a Head of HR, replicating the structure in Estates. It would be important to ensure that the HR activity was fully resourced and supported. The Head of Additional Learning Support had also recently left and following the departure of an admissions manager, this post would not be replaced.

The Principal and the Chair, together with a number of college managers, had attended the recent Landex conference and key reports were noted in the written report.

There had been good engagement with the military following recent meetings. The college was planning to launch Duke of Edinburgh awards in the near future.

Curriculum planning was progressing well although there were challenges with the HE programme numbers, a situation which was replicated amongst partners.

There had been good and positive student engagement concerning the strategic plan. It was suggested that the college could communicate more extensively with students about its green actions.

The meeting discussed the current position with the Colleges Partnership where performance was not to budget and there was concern that the business strategy was not being successful, with the last forecast showing a drop of £100K. Mitigation of this was being pursued, including pushing the army on compensation for the loss of a contract. Governors supported college

	<p>managers' concerns that the staff in the Partnership were not sufficiently engaged with the actions required to make improvements and supported the activity jointly with Bridgwater and Taunton College to review what further action could be taken.</p> <p>Details of a contract to install solar panels at the Salisbury campus had been circulated with the Principal's report and were reviewed. It was noted that the installation would be at no cost to the college and there would be a positive contribution to cashflow. The contract would commit the college to the installation for 25 years. It was confirmed that no other building development or building work would be compromised by the installation. The Board approved the contract, confirming that works could go ahead.</p> <p>The Board thanked the Principal for her report.</p>	
2018-19 8/7	Key Performance Indicator Targets/ Balanced Scorecard	
	<p>The Key Performance indicators which had been circulated were reviewed. There was a focus in the discussions concerning the objective to increase market share and a discussion concerning industry placement numbers.</p> <p>Governors commented with pleasure on the increased numbers of apprenticeships.</p> <p>There was a discussion concerning the recruitment of staff. Governors encouraged the employment of a member of staff in the HR team who had experience in attracting hard to reach candidates and head hunting in order to assist with the recruitment in hard to fill areas.</p> <p>The financial health grade KPI was reviewed; this remained forecast to be 'good' for the current year.</p>	
2018-19 8/8	Management Accounts	
	<p>The March management accounts had been circulated previously. It was noted that as of March 2019 the College was showing a year to date operating deficit before exceptional items of £1,163K, being £867K adverse to budget. Although there was a current reported deficit and which was adverse to plan, the end of year forecast was a £1700K year on year improvement on operational performance and the financial performance over the next 4 months was expected to benefit from the reduced payroll run rate from the staff savings programme. In addition it was noted that non-pay spend was well-controlled and lower in the last months of the year, whilst additional income was generated later in the year by subcontracting partners. The current position was noted as having been caused by cost pressures of staffing in hard to recruit areas, higher education was £161K adverse year to date and student accommodation £184K adverse to date, with fees income lower due to the impact of closing the outreach centres, managing agent fees to C-Skills and fewer adults making part-payments for courses. However, most of this reduction was offset by apprenticeships income £597K higher than the same period in the previous year.</p> <p>It was noted that the April accounts position was much closer to budget and these would be ready for issue shortly. These showed that the year end forecast of £25K surplus would be held. Once available, these would be circulated to governors.</p>	

	The covenants were reviewed and although the college's variance position was close to these, they were all shown to be met.	
2018-19 8/9	Quality Improvement Plan	
	<p>The Quality Improvement Plan latest report had been circulated previously. The Deputy Principal Curriculum and Quality drew attention to key performance features. Retention at 94.3% and attendance at 86.3% were good figures, with the AoC benchmarking data showing that the latter was comparable with the best. The college was above the national averages for apprenticeships.</p> <p>The meeting noted the challenges in the engineering curriculum which was currently placed in intensive care. The challenges were mostly in relation to staffing where the maths teaching requirements added to the difficulties in recruiting suitable staff.</p> <p>It was noted that the rating for work experience had been changed to amber, where target involvement by certain age groups was not being met.</p> <p>Overall, governors welcomed the positive performance shown by the many green ratings in the analysis. It was noted that with the recent publication of the new Inspection framework, the college would be looking to align itself against the new criteria and the self-assessment report would also evolve accordingly.</p>	
2018-19 8/10	Minutes of the last meeting held 28 and 29 March 2019	
	<p>The minutes of the meeting which had been held on 28 and 29 March 2019 which had been circulated previously were approved as a true record.</p> <p>The Principal reported that she had written to the Education and Skills Funding agency concerning the non-funding of growth in the apprenticeship non-levy budget as reported at the last meeting and was awaiting a reply.</p> <p>The Chair commented that final proposals on values for outstanding governance would be presented to the next Board meeting further to the discussion which had taken place at the strategy day.</p>	
2018-19 8/11	Reappointment of a governor for a second term – to confirm the reappointment of Martin Clark	
	<p>The Clerk informed the meeting that following the circulation of a written resolution, all governors had confirmed their support of Martin Clark being reappointed for a second term of office as a governor until the end of March 2023.</p> <p>The reappointment of Martin Clark for a second term of office as a governor until the end of March 2023 was approved.</p>	
2018-19 8/12	College visits/events dates and those attended	
	<p>Key dates for the remainder of the academic year were to be sent out to governors who were encouraged to attend awards and art exhibitions.</p> <p>The Chair reported that lambing had been a stunning event to attend, especially to see students taking control of the day.</p>	

2018-19 8/13	Proposal for Governor engagement arrangements	
	<p>A report had been circulated previously proposing a new arrangement for governor engagement, reflecting proposals discussed by Harry Adam with the Clerk and Assistant Principal Charlotte Corfield at a recent meeting. It was proposed to publicise an annual calendar with effect from the new academic year and also to continue to encourage governors to come in and visit at short notice as well when time became available.</p> <p>The arrangements were approved, and it was requested that a rolling calendar be established so that governors could be provided with dates as early as possible. It was confirmed in response to requests, that should governors wish to maximize their visit time by building in a number of activities into a day or half a day then the college would be delighted to arrange this and there would be flexibility.</p>	
2018-19 8/14	Proposal for a new governor appointment	
	<p>The CV of Clive Barker had been circulated previously following his interview.</p> <p>Governors agreed that he offered a strong profile with considerable finance experience and welcomed his application. The appointment of Clive Barker as a governor was approved with the standard term of office of 4 years. It was noted that due to other commitments, that his first attendance at a Board meeting would be at the September meeting.</p>	
2018-19 8/15	Amendment to the Association of Colleges Code of Good Governance and consequential arrangements	
	<p>A detailed paper concerning the amendment to the Association of Colleges Code of Good Governance to include specific arrangements for considering the remuneration of senior post holders had been circulated. The recommended amendment to the code followed consultation earlier in the academic year to which the Board had responded positively and now the amendment was proposed for adoption. The Board agreed to adopt the amendment and to put in place amended arrangements for the Remuneration Committee with Harry Adam taking the Chair and the other members comprising the Corporation Chair and Vice-Chair. It was noted that the Committee had not needed to meet for some time as the salary arrangements for senior postholders were not subject to any different review than those for all staff.</p>	
2018-19 8/16	Letter from the FE Commissioner to Chairs and Principals	
	<p>A recent letter from the FE Commissioner to Chairs and Principals had been circulated. The Finance Working Group had earlier considered the letter and recommended that some of the arrangements for the working group should be developed. Membership would comprise two governors with finance experience, the Corporation Chair and one governor with HR experience and the Principal would formally be a member. In addition the Chair of the group would routinely report to the Board in the finance update and the minutes would be received. The key focus on finance matters at the Board meetings would not be diminished as a result of this change.</p> <p>It was agreed that the terms of reference of the group accordingly be amended.</p>	

2018-19 8/17	Date of next meeting – 2 July 2019	
	The date of 2 July 2019 for the next meeting, already scheduled, was agreed.	
2018-19 8/18	Any Other Business	
	<p><u>Safeguarding</u> It was noted that Carlton Brand had attended a recent Local Safeguarding Board as safeguarding governor. He reported that most action plan items were rated 'green' and on track.</p> <p><u>Staff Recruitment</u> Following a request from a governor, it was agreed that the strategies for staff recruitment should be a review item at a future Board meeting.</p> <p><u>Salisbury Campus development launch</u> A governor welcomed attendance at this recent event and thanked the Principal and her staff for its organisation but commented that it was a matter of great regret that one of the speech makers had made a sexist comment and although challenged at the time, he was concerned that this could cause reputational difficulties for the college. The issue would be taken up with the individual at the LEP and it was suggested that the college should ensure its values were explicitly communicated to its guests.</p> <p><u>Skills Audit</u> The Chair commented that a skills audit update would be due in the autumn, but with a number of member changes it could be useful to carry out an exercise shortly.</p> <p><u>Vote of thanks</u> Governors joined with the Chair to thank Debbie Sexton-Dyer for her contribution as a governor and offered their very best wishes for her forthcoming retirement.</p>	
2018-19 8/19	Confidential – procedures for the approval of staff agreements	
	<p>A confidential report was circulated concerning arrangements for considering the basis of staff termination agreements, should these be required.</p> <p>Governors considered the arrangements they wished to operate and determined that reports on termination payments implemented should routinely be reported to the Audit Committee. Approval of payments to staff should be determined by the Deputy Principal Corporate Resources unless any payments were proposed to be for more than 3 months salary beyond statutory or contractual entitlements, in which case consultation would take place with the Audit Committee Chair to consider value for money prior to any implementation.</p>	